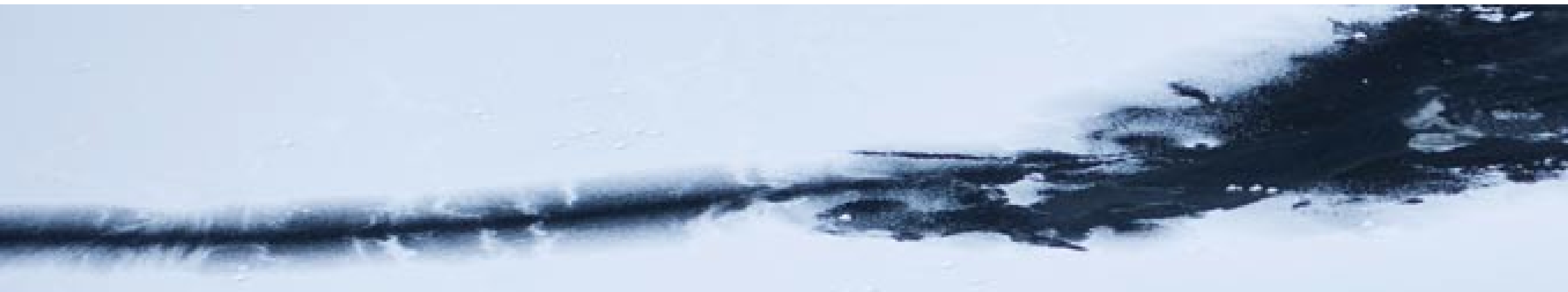
# Annual Report 2007



## Contents



# HIGHLIGHTS 2007

### Strong growth in EBITDA

EBITDA for the group has grown by 60 per cent in 2007.

### Acquisition of mobile application provider

In December, Visma acquired the mobile application provider Multimedia Capital Romania SRL (MCR). MCR is part of Visma's investments in making new and existing applications available for mobile users as well as providing software as a service on the internet.

### Achieving critical volume in Sweden

The acquisition of Volym in Sweden in November has contributed to Visma Advantage's achievement of critical volume in the Swedish market.

### New product lines to be developed

Professional expertise has been given special emphasis in the development of software within the areas of logistics, finance, CRM, EDI and web shops. New development teams have been established in the areas of mobility, integration, data warehousing and reporting, as well as user-friendliness and user interfaces. This initiative will result in new product lines in mobility for Visma's ERP solutions and solutions offered in the public sector.

### Pan-Nordic growth in payroll engagements

During 2007 Visma Services has obtained more payroll customers on a pan-Nordic basis. The growth within this area is expected to continue.

# KEY FIGURES

## Visma Group

| (Amounts in NOK 1 000) | **2007 IFRS** | 2006 IFRS | 2005 IFRS | 2004 IFRS | 2003 NGAAP | 2002 NGAAP | 2001 NGAAP |
|---|---|---|---|---|---|---|---|
| Operating revenues | **2 723 213** | 2 305 616 | 1 906 614 | 1 665 578 | 1 340 364 | 1 151 840 | 831 299 |
| Growth | **18%** | 21% | 14% | 24% | 16% | 39% | (36%) |
| EBITDA | **489 969** | 304 913 | 257 178 | 224 312 | 182 600 | 142 394 | 83 083 |
| Profit/(loss) after minority interests | **154 998** | 123 157 | 124 652 | 204 670 | 196 042 | 101 899 | 68 814 |
| Earnings per share | **-** | - | 3.90 | 6.55 | 6.27 | 3.31 | 2.60 |
| No. of shares | **1** | 1 | 32 000 | 31 244 | 31 244 | 31 244 | 26 490 |
| Total assets | **3 525 327** | 2 983 960 | 2 259 033 | 1 919 974 | 1 605 923 | 1 369 499 | 1 026 162 |
| Current liabilities | **1 015 251** | 791 560 | 572 146 | 483 091 | 532 617 | 365 547 | 288 028 |
| Long-term liabilities | **1 741 283** | 1 600 933 | 308 858 | 222 130 | 27 733 | 71 246 | 113 122 |
| Equity | **768 793** | 591 466 | 1 378 029 | 1 214 752 | 1 045 573 | 932 705 | 625 012 |

## Business areas

| | **Software** | | | **Services** | | | **Financial and Productivity Services** | | |
|---|---|---|---|---|---|---|---|---|---|
| *(Amounts in NOK 1 000)* | **2007** | 2006 | 2005 | **2007** | 2006 | 2005 | **2007** | 2006 | 2005 |
| Operating revenues | **1 643 387** | 1 375 405 | 1 090 413 | **785 089** | 673 374 | 607 882 | **294 738** | 256 836 | 208 320 |
| Revenue growth | **19.5%** | 26.1% | 8.5% | **16.6%** | 10.8% | 6.1% | **14.8%** | 23.3% | 137.8% |
| EBITDA | **375 920** | 243 836 | 193 268 | **86 322** | 64 999 | 49 680 | **57 124** | 35 734 | 34 300 |
| EBITDA margin | **22.9%** | 17.7% | 17.7% | **11.0%** | 9.7% | 8.2% | **19.4%** | 13.9% | 16.5% |

# VISMA IN BRIEF

**Visma is leading Nordic supplier of software and services for accounting and administration. Total group revenues for 2007 were NOK 2.7 billion and the group's earnings before taxes were NOK 155 million. The group is headquartered in Oslo, Norway, and is represented with more than 2 840 employees and more than 80 offices in over 70 Nordic cities and in Amsterdam, Holland.**

## VISMA SOFTWARE

Visma Software supplies a wide range of business software solutions, as well as ASP solutions, consultancy, support and training. Our software solutions enable our customers to simplify their business processes. We emphasize this by being customer oriented and quality driven. We focus on innovation and trustworthiness, and produce software that is secure and stable.

There are three markets that have been pinpointed as strategic to Visma Software. These are the micro market, the general SME market and certain vertical markets: contracting, local government, retail, servicing companies, oil and gas industry and manufacturing. Our product portfolio is tailored to serve a wide variety of customers with different needs. But they all have increasing ambitions of modernising and automating many of the labour-intensive and inefficient work routines and processes.

Visma Software has 1 466 employees in major cities in Sweden, Norway, Finland, Denmark and the Netherlands. We are also present in Poland, Germany and the UK, through exclusive and non-exclusive distributors.

In 2007 Visma Software achieved revenues of NOK 1 643 million and an EBITDA margin of 22.9 per cent. Organic growth in local currencies was 7.1 per cent. Recurring revenues amounted to NOK 888 million, which represents 54 per cent of total revenue. Revenues in 2007 grew by approximately NOK 268 million, representing an increase of about 19.5 per cent from 2006.

## VISMA SERVICES

Visma Services is the accounting services area of the Visma Group, and is the Nordic region's leading supplier of outsourcing services within accounting, payroll and associated consultancy. Our services enable our customers to focus on their core activities. Using modern technology, we help our customers to find the best solutions ensuring optimum and effective operations.

Like Visma Software, Visma Services has a strong presence in the Nordic SME market. For these businesses we offer a combination of advanced centralised solutions with local business knowledge and customer contact. Invoice scanning, optical reading, workflow management and web access for clients show that accounting is becoming a highly automated function. We also serve large companies and municipalities in Denmark, Norway and Finland.

Visma Services has 1 208 employees.

Operating revenues for 2007 amounted to NOK 785 million, and the EBITDA margin was 11.0 per cent. Revenues grew by 16.6 per cent from 2006. Organic growth in local currencies was 16.7 per cent.

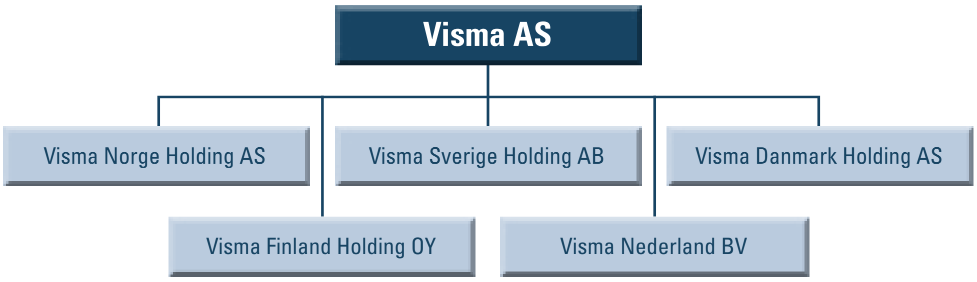
## VISMA FINANCIAL & PRODUCTIVITY SERVICES

Visma Financial & Productivity Services (VFPS) was established on 1 January 2005 as the third area of the Visma Group. It comprises four businesses: Debt Collection and Cash Management Services, Procurement Services, Recruitment and Temp Services, and Educational Services. Their shared mission is to facilitate Nordic growth through increased productivity from outsourcing of non-core business processes.

A key objective of VFPS is to develop and implement cross-divisional product bundles for the customer base of the Visma Group. This is a strong competitive advantage for the whole group.

VFPS comprises the following companies, corresponding to the above-mentioned businesses: Visma Collectors, Visma Advantage, Visma Personnel and Visma Ajourit. Together they are present in the Norwegian, Swedish and Danish markets and have a total of 163 employees.

The division's revenue for 2007 totalled NOK 295 million, with EBITDA of NOK 57 million representing 19.4 per cent of the total EBITDA of the Visma Group. Organic growth in local currencies was 14.9 per cent.



– The business comprises the three business areas Visma Software, Visma Services and Visma Financial & Productivity Services.

# COMMENTS FROM THE CEO

In 2007, the favourable economic trend, which started in 2004, continued in the Nordic countries. In all the markets – Denmark, Finland, Norway, the Netherlands and Sweden – in which Visma had operations during the whole of 2007 there was a strong increase in the gross domestic product. With a customer base of more than 200 000 companies, both small and large, in the public and the private sector, and in most vertical segments, Visma benefited greatly from this trend.

At the end of the year Visma acquired the Romanian company Multimedia Capital Romania. This is a part of Visma's effort to establish a nearshoring development centre in Romania to supplement R&D talent in Northern Europe.

## SHORTAGE OF QUALIFIED PERSONNEL

While customers were previously the scarcest resource, a growing number of sectors are experiencing a shortage of qualified personnel. Unemployment was at a historic low in 2007. Off-shoring is perceived as a solution to the personnel situation, but even countries such as China and India are now facing shortages of skills.

All personnel recruitment, temporary staff agencies and consulting companies experienced very strong growth in 2007. Further growth is now limited by the supply of people.

Salary inflation was high in 2007 and fairly high salary increases are expected in 2008 as well. Hence for most professional services, substantial price increases are expected in 2008.

Visma is working actively to build up and retain talents within the organisation. Pro-

– During 2008 Visma will further expand this development centre to be able to satisfy the increasing demand for software development.

grams are in place both with regard to existing staff as well as through recruitment programs. Professional management training, succession planning and mentoring are parts of the talent building and HR effort. University presentations, summer student work and trainee programs are also used to attract talent.

## INCREASED AUTOMATION

The software sector plays an important role in increasing productivity in society. Automation of labour-intensive administrative tasks is more highly developed in the Northern European countries than in other parts of the world. Further commitment to this will enable strong growth in the Northern European countries despite the limitation in personnel supply. E-commerce and the electronic flow of commercial documents are showing vigorous growth. To a growing extent, communication between citizens and the public sector is electronic and internet-based. Visma Unique ranks among the leaders in the endeavours to automate the public sector.

## THE NORTHERN EUROPEAN CHALLENGE

The diversity of the industrial structure in the Northern European countries, a highly educated workforce, high participation of both men and women and a well functioning public sector have contributed to a growth environment and adaptability in the economy. Challenges however remain in relation to competing in a global market. Both salary and tax levels are high, public welfare is expensive, the domestic markets are somewhat limited, and the local languages are not widespread like English and French. It is less profitable than it is for English-speaking countries to outsource accounting and payroll services to other countries.

However, software development, maintenance and IT-centre operation are better suited to off-shoring. During 2007 Visma established a software development centre in Romania and by year-end the headcount was 62. During 2008 Visma will further expand this development centre to be able to satisfy the increasing demand for software development.

## WORLD-CLASS PRODUCTIVITY

Visma's mission is to set the stage for maintaining the competitive edge of North European companies and government bodies through automation of administrative processes. Even with higher labour costs, a high tax level, and barriers restricting outsourcing to other countries, Northern European companies have achieved world-class productivity through investments in modern ERP and CRM solutions. Even small and medium-sized enterprises have access to advanced automation and workflow solutions from Visma.

## ORGANIC GROWTH AND GROWTH THROUGH ACQUISITION

During the economic boom in 2007, Visma restricted acquisitions of other companies as prices were high. In the second half of 2007 the US sub-prime crises started to impact financial markets world-wide. The beginning of 2008 saw markets worried about recession. This may lead to a re-pricing of many companies. Visma believes 2008 will provide better acquisition opportunities.

With few acquisitions to focus on, 2007 has been a year of organic growth. In local currency the organic revenue growth of Visma was 12.3 per cent. EBITDA improved by 60 per cent and the EBITDA margin of 18 per cent is an improvement of 3.2 per cent compared to 2007. Major reasons for the high revenue growth and margin improvement are the successful integration of Accountview and RBS, which were acquired in 2007, healthy markets and more time for product-development and customers as a privately held company.

Within accounting and payroll services in particular, Visma experienced strong demand from the market. The shortage of accountants is forcing more companies to outsource their finance and accounting departments. For 2008, Visma Services expects an organic revenue growth approaching 20 per cent.

At the end of 2007, the Visma Group employed 2 843 people and achieved revenues of NOK 2 723 million. EBITDA in 2007 amounted to NOK 490 million. The prospects for 2008 are good, with strong demand for our products and services. We estimate that our revenues in 2008 will reach around NOK 3 000 million.

Øystein Moan
CEO, Visma ASA

# LEADING IN EFFICIENCY SOLUTIONS

**Visma is a leading vendor of products and services in finance, accounting and administration. Our solutions streamline routines, work tasks and business processes in a wide range of areas, and enable our 210 000 clients to focus on their core business.**

### Automation

The key to efficiency in business processes is combining software and services to integrate and automate an increasing number of routines and processes, not just digitise them. For this reason, we continuously expand our portfolio of knowledge, products and services, in order to offer solutions to meet the needs of our customers.

### Professionalism

Our operations are based on innovative technology and skill in using it. Visma has more than 2 700 professionals specialised in different fields related to the automation of business processes. A growing number of work processes can be automated, and our solutions contribute to the improvement of these processes.

### Responsibility

Visma is committed to offering every client the "right" solutions at the promised cost. Some businesses find it most efficient to handle the work processes involved in finance, accounting and administration themselves. Others can improve their productivity by outsourcing these tasks. Visma offers flexible outsourcing services within finance, accounting and payroll. The services offered can also be combined with the purchase of software.

# ON DEMAND SOLUTIONS

**Increased availability**
On demand solutions enable an increasing number of people to use a carefully selected set of tools to work smarter and faster. Work-related Internet services are efficient because they increase the availability of the core business systems and distribute selected tasks. The result is faster work processes, better information flow, and automation of routines.

**Integrating the "non experts"**
In some settings, when it comes to certain processes and tasks related to finance and administration, it is far more efficient for employees to interact with the core business systems in an interface adapted to these needs. Internet-based services are the key to making this possible for those who are not "experts". And staff can accomplish these tasks from wherever they may be, with no need for locally installed clients.

**Reports whenever you need them**
One example of such an on demand tool is our new web-based solution for reporting and analysis. A user-friendly interface enables users to get the reports they need, as long as they have access rights. This self-service solution makes use of all the valuable information and data that used to be "hidden" in the business systems, and it reduces the workload of the finance department.

**On demand services from Visma**
- Procurement portal for non-strategic purchases
- ERP, CRM, and payroll software delivered as ASP
- Web-based data capture and reporting
- Web-based registering of time sheets
- Web-based solution for travel expense records and other expense refunds
- Combination of outsourcing services in accounting with web-based data capture and reporting
- Web-based services in debt collection
- Online credit information
- Online back-up solutions
- Online sales tools
- Web-based tools for news monitoring and reference data on registered enterprises
- Online reference tool in payroll-related subjects
- Internet-based electronic commerce between buyers and suppliers
- Web-based public services for municipalities and health institutions
- HR portal for easier payroll and human resources administration

– A user-friendly interface enables users to get the reports they need.

# COMBINING SOFTWARE AND SERVICES

**Flexible sharing of work processes**
One of the main advantages of on-demand services is the opportunity for sharing tasks in work processes. Increased availability means increased electronic interaction between an increased number of users. The result is integrated data flow and more efficient processes.

**Internal and external interaction**
Employees in a business can interact with the ERP or payroll administration system and "deliver" pre-processed data to the finance department for further handling. Such data flow is of course also possible between clients and one of Visma's accounting services offices. For example, time sheets and other data can be delivered to the accountant through a user-friendly and web-based interface.

**Efficient sharing of invoice and travel expense management**
Electronic invoice management is one example of sharing and interaction. After scanning and electronic distribution for attestation and approval, the invoices are handled by the accountants, which may be Visma's accounting service offices or the internal finance department. Another example is web-based submission of travel expense records. The data is then imported into the payroll tool for further handling, whether it is operated by the finance department or one of Visma's offices.

– Increased availability means increased electronic interaction between an increased number of users.

# A SELECTION OF FOCUS AREAS

**Mobile solutions**
Our strategy for on-demand solutions includes mobile solutions linked to existing solutions by Visma within ERP, CRM and HRM. Seamless integration with mobile solutions constitutes an increasingly important business dimension. In 2007, Visma purchased a mobile application provider in Romania as part of this strategy. The mobile solutions will be of great importance for the further development of industry-specific solutions within healthcare, welfare, education and the social sector among others.

**Retail operations**
Visma is a leading Nordic provider of complete solutions for the retail business. Our software and services cover all retailing requirements, whether the outlet is a supermarket or a specialised store. We provide everything from point-of-sale solutions to systems for inventory, logistics, accounting and payroll – solutions which are also suitable for a wide range of sectors. In addition, we offer everything from consultation to implementation on the basis of a comprehensive service offering including installation, support, service and operations support. Large retail operations also outsource accounting and payroll to Visma.

**Public sector and health care**
Visma provides systems for health authorities, municipalities and other public-sector organisations. Solutions in financial management, invoice processing, purchasing, loans, service to the public, collaborative solutions, payroll and human resources are some of the possibilities. Through many years of experience with public-sector organisations, we have in-depth knowledge of work methods and regulations, as well as the requirements which are imposed for the supporting systems. Specialised systems are provided for administration of activities in schools, refugee reception centres, child health clinics, welfare services, adult education, kindergartens, child welfare, and nursing, health and care.

**Electronic commerce**
The demand for even more effective procurement processes is growing in both public- and private-sector business. Visma covers every part of the value chain, from purchase to payment. We offer flexible solutions for all needs, from the small private vendor to large university hospitals. The solutions are either locally installed and fully integrated with Visma ERP or delivered on demand as web-based procurement and invoice management tools. The result is automated administration of contracts, order flow and invoice processing between buyers and their suppliers.

– Visma covers every part of the value chain, from purchase to payment.

# FOR ALL SIZES OF BUSINESSES

**Small businesses**
Our solutions for small businesses are flexible and simple to use. The outsourcing services are flexible and adapted to the needs of every business. The software has a user-friendly interface and a wide variety of functionality. Some of the solutions are on-demand services designed especially for small businesses, such as web-based sales management tools, and a user portal with online credit check, backup and entry of time sheets and travel expense records.

**Medium-sized businesses**
Medium-sized businesses have their own needs when it comes to efficiency solutions. They must correspond to the size and scale of operations, and must not be too costly to be efficient. Our solutions for this are software for finance, logistics, payroll, accounting, HR administration, CRM, electronic commerce and CMS. The outsourcing services cover areas like finance, accounting and payroll. In addition we offer solutions within recruiting services, debt collection, purchasing solutions and training.

**Large businesses and organisations**
For large business and organisations, we offer advanced software and tailored services in business process outsourcing. One example is outsourcing of complete payroll administration departments, in which we take over the employees as well. Another example is full-scale software systems for advanced payroll and HR administration in large organisations. A third example is advanced procurement solutions for large companies. A fourth is complete solutions for retail chains located in several countries.

– The solutions are flexible and adapted to the need of every business.

# EXPERTISE AND CUSTOMER SUPPORT

– Software functions best when users can make the most of its potential.

**A leading professional team in payroll**
Our consultants provide guidance to customers and answer all questions related to payroll. With more than 20 years' experience, our staff members are well equipped to answer all types of questions and enquiries, both related to the payroll function and to the payroll systems that the organisation runs. We offer telephone support and several online services related to payroll.

**Training**
Software functions best when users can make the most of its potential. Visma offers training both in its own software and in other software such as MS Office and MS Server. We also offer courses on subjects including project management and professional courses in accounting and finance. The courses are designed for various levels of competence, and cover both general and specific areas: everything to improve productivity.

# SERVICES IN ADMINISTRATION AND PERSONNEL

**Administrative purchasing**
Every organisation uses products and services to support its day-to-day business. These purchases may include office supplies, electricity, PCs, telephony, cleaning, etc. It can be advantageous to outsource this to a partner. Visma has signed procurement agreements with a large number of suppliers on behalf of several thousand customers. As a large buyer we are able to achieve favourable terms. The products and services offered can easily be ordered through our purchasing portal.

**Services in debt collection**
Visma offers flexible services and solutions for billing, reminder letters and debt collection. These services include web-based collection solutions, credit information, purchase of receivables and consulting assistance to prevent losses. The collection services can be integrated with the accounting system, enabling automatic updates to the accounts and the sales ledger.

**Temp services and recruiting**
Visma are specialists in staffing and recruiting in finance, accounting, payroll, and IT. The services are primarily intended for companies and organisations that need extra staff for a period or wish to recruit people with special competence to a permanent position. We offer candidates for positions at all levels: candidates who are always up to date and are familiar with other business activities.

– Visma has signed procurement agreements with a large number of suppliers on behalf of several thousand customers.

# SOFTWARE FOR FINANCE, LOGISTICS, PAYROLL AND ACCOUNTS

**Business systems**
An integrated and coherent financial system includes functions for accounts, billing, logistics, reporting, and time/project management. Visma has financial control tools that cover all of these functions. In addition, they are integrated with systems for CRM, payroll, document workflow and e-business – creating a wealth of other opportunities. The solutions are suitable for enterprises of any size.

**Payroll administration systems**
The payroll function includes everything from recording absence and taxation to payment of salaries and reporting. Visma offers software and competence for payroll administration. The solutions provide an overview of salary statistics, reports, history and a number of other functions, and are integrated with a web-based solution for travel expense reports and refunds for expenses. Integrated with the financial system, the accounts, account ledger and departments are updated automatically.

**Reporting and analysis**
Companies often spend a great deal of time retrieving and compiling relevant figures and statistics so that they can run effective analyses. Reporting & Analysis is a module, which is integrated with our financial systems, and makes it easier to analyse and visualise data.

**Time sheet and hour management**
Records of hours worked are essential for consulting and project-oriented businesses. This task should be simply and quickly accomplished, to release more time for income-producing assignments. The time-reporting functionality in Visma's software simplifies data entry and at the same time it keeps track of the use of time and other resources in each individual project. In this way, all the project participants can have up-to-date and correct information available at all times.

**Solutions for contractors and artisan firms**
Visma provides solutions for contractors and artisan firms. The solutions cover financial management, orders and project management, payroll, time recording and much more. The solutions include support functions for the whole work process, from requests for proposals and recording of hours via materials management to project tracking and the finished result. The software can be integrated with a number of Visma's solutions, and is also designed for use with handheld devices.

# SOFTWARE FOR CUSTOMER DIALOGUE

– The time-reporting functionality in Visma's software simplifies data entry and at the same time it keeps track of the use of time and other resources in each individual project.

**CRM**
Visma CRM (Customer Relations Management) is a tool to support systematic relationship building, by recording and organising all contact with business partners. Since all users have access to the same information, follow-up of customers, suppliers, business partners and other important connections is simplified. In addition, it is easier to keep track of sales information, contact persons, time planning and project status.

**Web shop**
Commerce on the Internet can make an enterprise's products or services available to a completely new group of customers, while customers can shop regardless of opening hours. Visma has solutions for establishment, administration and operation of Internet stores for businesses, regardless of size and needs. The solutions are integrated with the financial systems, so that information about products and prices only needs to be entered once, in one place.

**Content management solution**
Our portal solution provides opportunities for communication and interaction with all networks through the same technology and interface. With a common administration tool, composition, publication, maintenance and operation become more effective. The systems can be extended as requirements change, and at the same time they are easy to use.

# OUTSOURCING SERVICES IN FINANCE, ACCOUNTING AND PAYROLL

**Payroll administration services**
Visma offers outsourcing services for all parts of the payroll function. This saves your business from spending time and resources on becoming familiar with the complex legislation relating to pay, and on keeping up to date with changes.

**Handling of accounting and finance**
Our range of services in accounting covers the entire finance function. Visma provides services within accounting, payroll, billing, payments, the annual reporting and accounts, and budgeting. Well-structured, easy-to-read graphical reports show the financial situation of the business. The customer has the reassurance that the work will be done in accordance with legislation and regulations.

**Financial consulting**
With more robust finances, the business can operate in a more professional manner. Visma has financial advisors who can support all types of business in liquidity management, improving efficiency, payment transfers, tax consultancy, annual accounts and tax returns.

– Visma provides services within accounting, payroll, billing, payments, the annual reporting and accounts, and budgeting.

–Visma's mission is to set the stage for maintaining the competitive edge of North European companies and government bodies through automation of administrative processes.

# DIRECTORS' REPORT

For the Visma Group, 2007 was a good year. The company sustained its growth and confirmed its position as the leading ERP and outsourcing enterprise in the Nordic countries. The year of 2007 was characterised by the integration of previously acquired units, robust organic growth and a strong improvement in profitability. The company has succeeded with cross-selling to an increasing extent, but the potential for growth is still far from realised.

Products and services of high quality are important for satisfied customers. Visma has more than 230 000 customers, and the company wants to offer these customers combinations of products and services that are unique compared with those offered by competitors. The great potential for cross-selling and bundling of products and services across divisions and national borders provides a strong basis for continued healthy organic growth in 2008.

## HIGHLIGHTS

The economic climate in all the Nordic countries was very good in 2007, and contributed to Visma's growth. Small and medium-sized enterprises have shown greater motivation to invest, and the focus has shifted from cost cuts to sales and customers. In particular, Visma has observed increased demand for products and services within electronic document management and e-commerce. It is especially products and services for electronic orders, invoices, internal document flow within businesses and e-commerce solutions that are of interest. These areas will be the strongest growth drivers in Visma Software and Visma Services in 2008.

The generally good economic climate has created strong demand for staffing, procurement and collection services, which are provided by Visma Financial & Productivity Services.

In 2007, the group has only undertaken minor acquisitions of companies, but the acquisition of Mobile Media's development department in Romania deserves special mention. With the great shortage of development resources in the Nordic countries, it is important for Visma to build up a large off-shore department for software development in Romania. At the end of 2007, Visma had 62 employees in Romania, and substantial expansion is expected in 2008.

Visma Financial & Productivity Services has acquired Volym, consolidated in Visma Advantage in Sweden from 1 November 2007. This acquisition has contributed to Visma Advantage's achievement of critical volume in the Swedish market.

In 2007 the group invested substantial resources in development and strengthening of the Visma brand. In 2008 the group will carry out further activities to strengthen and develop the Visma brand in the Nordic countries.

## NEW OWNERS

In March 2006, Visma was acquired by the British private equity fund HgCapital. The transition from being a listed to a privately held company has been successful. Continuity and further development of the management, products and the strategy have been achieved.

After the acquisition, the Visma Group is owned by Engel Holding AS, and the ultimate owner of Visma is Visma Holdings Lux S. à. r. l., which is in turn owned by HgCapital (40 per cent) and other financial funds.

## ASSESSMENT OF FINANCIAL STATEMENTS

The company has continued its reporting in accordance with International Financial Reporting Standards (IFRS).

The financial statements for the year have been presented on the assumption that the company is a going concern and, in compliance with the section 3-3 of the Accounting Act, the board of directors confirms that this assumption applies. Earnings forecasts for 2008 form the basis for this assessment.

The group achieved a profit after tax and minority interests of NOK 155 million (NOK million 123.2 in 2006) on sales of NOK 2 723 million in 2007 (NOK 2 306 million in 2006).

Growth in sales amounted to 18.1 per cent and organic growth in the local currency ended at 10.6 per cent (10.1 per cent in 2006). The group's net tax came to NOK 61 million (NOK 58.1 million in 2006). The operating profit in 2007 was NOK 364.3 million (NOK 216.8 million in 2006) and EBITDA (earnings before interest, tax, depreciation and amortisation) was NOK 490 million (NOK 305 million in 2006). This is corresponding to development of the EBITDA-margin from 13.2 per cent in 2006 to 18 per cent in 2007. Cash flow from operations ended at NOK 458 million (NOK 297 million in 2006).

Visma Software achieved an EBITDA margin of 22.9 per cent (17.7 per cent in 2006). Organic growth in sales in 2007 amounted to 6.8 per cent (8.6 per cent in 2006), while the total growth in sales was 19.5 per cent. This is considerably higher than the general growth in the market, and Visma Software is continuing to gain market share.

Visma Services achieved organic growth of 16.6 per cent (10 per cent in 2006). The EBITDA margin amounted to 11 per cent, compared with 9.7 per cent in 2006. The trend in margin and growth in the division is satisfactory, and Visma Services is experiencing growing demand for its services.

Visma Financial & Productivity Services

achieved an EBITDA margin of 19.4 per cent (13.9 per cent in 2006). Organic growth ended at 14.8 per cent (19.8 per cent in 2006).

In 2007, the company had a strong net cash flow of NOK 458 million from operations. Continued good financial management will help to ensure a positive cash flow from operations in 2008. At the end of 2007, the group's total assets amounted to NOK 3 525 million, compared with NOK 2 984 million for the previous year. The majority share of the equity increased from NOK 568 million at 31 December 2006 to NOK 760 million at 31 December 2007. This represents 21.6 per cent of the total balance sheet.

Accounts receivable including VAT totalled NOK 370 million at 31 December 2007, compared with NOK 372 million for the previous year. Customers' average credit period was 35 days in the fourth quarter of 2007 compared with 37 days in the same period of 2006. All doubtful accounts receivable have been assessed, and the group has reserved an amount equivalent to approximately 3.9 per cent of the accounts receivable excluding value-added tax. Accounts receivable are monitored closely. The existing provisions are regarded as adequate considering that the credit period is lower than what is normal in the IT sector. The provisions cover accounts receivable, older than 180 days.

In the board's opinion, the financial statements for the year give a true and fair view of the group's financial position and results for 2007.

In 2007, the parent company Visma AS had a net profit of NOK 88 488 000.

## PROPOSED ALLOCATION OF THE PROFIT FOR THE YEAR

*NOK 1 000*

| | |
|---|---|
| Provision for dividend | 450 000 |
| Transferred from other equity | (361 512) |
| Total allocated | 88 488 |
| Distributable reserves of Visma At 31 December 2007 | 343 568 |

## REVIEW OF THE BUSINESS AREAS

Visma Software supplies ERP, CRM, payroll and e-commerce software to small and medium-sized enterprises in Denmark, Finland, the Netherlands, Norway, and Sweden. In addition, Visma provides tailored solutions within the verticals of retailing, the public sector, accounting firms and the trades. At the end of the year the Visma Software division had 1 466 employees. More than 215 000 enterprises are users of Visma's software. Most of these have also signed annual maintenance and support agreements.

Sales in Visma Software increased in 2007 by 19.5 per cent. The organic growth in local currency was 7.1 per cent. The remaining growth results from acquisitions of other software companies. Of total sales, 54 per cent originate from annual maintenance and support contracts, 16.7 per cent from new sales of software, 15.5 per cent from consulting services and 13.7 per cent from third-party products.

In 2007, the R&D department has focused on consolidation of product lines and integration between products. The developers have been reorganised in teams focusing on software architecture, process improvement within development and professional expertise. Professional expertise has been given special emphasis in the development of software within the areas of logistics, finance, CRM, EDI and web shops. New development teams have been established in the areas of mobility, integration, data warehousing and reporting, as well as user-friendliness and user interfaces. This initiative will result in new product lines in mobility for Visma's ERP solutions and solutions offered in the public sector. In addition, a new data warehousing and reporting tool will be launched. Common integration architecture enables improved EDI and data communication solutions. The core products in Visma will be given a new user interface with common design elements and improved user-friendliness. During 2008, new concepts will be launched in which customers can choose between local or ASP solutions for a number of the core products.

For Visma, innovative product development is important to attract new customers and to keep existing ones. In our efforts to keep existing customers, customer support also plays a key role. In the ongoing endeavours to create growth, it is absolutely vital to have an energetic and competent sales force to sell add-on modules to existing customers, win new customers and cross-sell products and services. The primary focus in 2008 in the Software division will be to improve these functions further.

Visma Services provides outsourcing services for accounting and payroll in Norway, Sweden, Denmark and Finland. Visma Services is the only pan-Nordic supplier of these services. It has more than 14 200 companies as customers, and more than 169 companies buy services from this division in more than one country. At the end of the year, the Visma Services division had 1 208 employees.

Sales in Visma Services were increased by 16.6 per cent in 2007. Visma Services has proved to be strongly affected by the general economic climate. The good climate is expected to continue in 2008.

The EBITDA margin amounted to 11 per cent, compared with 9.7 per cent in 2006. Improvement in the margin is expected to continue in 2008 as well.

During 2007 Visma Services has obtained more payroll customers on a pan-Nordic basis. Good growth in pan-Nordic payroll engagements is expected to continue.

Visma Financial & Productivity Services provides services in administration of accounts receivable, administrative purchasing, temporary staff and recruitment of finance staff as well as software courses in Norway, Sweden and Denmark. It started to report as an independent segment from 1 January 2005, and at the end of 2007 the Visma Financial & Productivity Services division had 163 employees and some 10 000 customers.

Visma Financial & Productivity Services offers a relatively high number of additional services to customers of Visma Software and Visma Services, and this division therefore represents an important component in cross-selling between the divisions in Visma.

The organic growth of 14.8 per cent is the evidence of an increasing need for services, and rapid growth is expected to continue in 2008.

## ORGANISATION, WORKING ENVIRONMENT AND EQUALITY OF OPPORTUNITY

Visma is headquartered in Oslo, but has more than 80 offices distributed in Denmark, Finland, the Netherlands, Norway, and Sweden. The group is organised in three divisions. The divisions have combined responsibility for their areas, regardless of geography or other factors.

At the end of 2007 Visma had 2 843 employees (2 512 in 2006), of whom 1 520 were employed outside Norway. The key to further progress is held by the group's employees. Visma is a competence enterprise, and it is the unique competence of the employees that creates value for customers and shareholders. Visma is therefore working to offer courses and other training to its staff in order to develop skilled and dedicated employees. In 2005 Visma started a two-year management training programme for young potential managers in Visma. A new programme began in the second half of 2007, after the completion of the first programme. All managers in the group are also responsible for designating and training their successor. Working conditions and opportunities for dedicated and ambitious employees are regarded as good.

Visma emphasises activities within HSE (health, safety and the environment) and has designated its own HSE groups and head safety delegate. HSE procedures form part of Visma's ISO 9000 approved quality system. Total sickness absence for the group averaged 3.43 per cent in 2007 (3.37 per cent). No injuries or accidents occurred in connection with work tasks undertaken at Visma during 2007.

Visma wishes to strengthen gender equality in the company. To promote equality of opportunity between the sexes, Visma has implemented the following measures:

- When qualifications are otherwise the same, the underrepresented gender will be appointed
- Opportunities for training and promotion must be independent of gender
- These guidelines on equal opportunities are sent to all managers in the group and reviewed in management meetings
- Visma Services provides management development programmes where most of the participants are women. The objective is to increase the recruitment of women to management roles

At the end of 2007, 55.5 per cent of the staff was women. The proportion of women in Visma Services is 72.4 per cent (71.9 per cent), while the equivalent figure in Visma Software is 40.3 per cent (39.7 per cent). At the end of the year, the proportion of women in Visma Financial & Productivity Services was 58.3 per cent (58.3 per cent). In the holding company, Visma AS, two of seven employees are women. The proportion of women in other management and middle management is 46 per cent. Visma aims to improve the balance in the executive group, but despite this the primary objective is to have the right competence in all types of positions in both divisions. The board of directors at the group comprises one woman and three men.

Visma's personnel policy is based on equal pay for equal work, which means that women and men in the same position have equal salaries, given that other conditions are the same. Average salary levels between women and men are influenced by age, length of service, professional field and the proportion of executives. All these factors contribute to a higher average salary for men than for women. The picture is significantly more balanced if one adjusts for these aspects. The salary statistics for 2007 show, that the annual salary for male staff on average was 18.5 per cent higher than for female staff. In 2006, the difference was 20 per cent. Average salary levels in the software industry are somewhat higher than in the accounting and outsourcing sectors.

The group strives to arrange workplaces that give staff members of both male and female employees the opportunity to combine work and family life. At the end of 2007, 149 employees had taken leave of absence, of which 91 per cent were women.

In recruitment, Visma seeks the professionally best qualified candidates, but the group's aim is that in any department or position category the gender ratio should be within 40/60. Visma considers that a relatively even gender ratio contributes to an improved working environment, greater creativity and adaptability, and improved results in the long run.

On the basis of the current situation and the measures that have been implemented, the board of directors at Visma AS considers that further action to promote equal opportunities in the Visma Group is not necessary.

## EXTERNAL ENVIRONMENT

The board takes the view that the operations by the Visma Group have an insignificant impact on the natural environment.

Through financial and logistics systems, Visma's products contribute to greater productivity, with reduced wastage of economic and material resources as a result.

## OUTLOOK FOR 2008

Visma expects the general economic climate to remain good in 2008, but with some degree of cooling in relation to 2007.

Visma sees good opportunities for continued progress in 2008. Organic growth will be driven by good opportunities for cross-selling and bundling of products and services across divisions and national borders.

In collaboration with its new owners, HgCapital, Visma will continue to evaluate strategic acquisitions in northern Europe.

Oslo, 26 February 2008

Jan O. Frøshaug
*Chairman of the board*

Gunnar Bjørkavåg
*Director*

Lisa Stone
*Director*

Nic Humphries
*Director*

Øystein Moan
*CEO*

# VISMA AS
# BOARD OF DIRECTORS

## Jan O. Frøshaug

**CHAIR**

Mr. Frøshaug is the chair and non-executive director of a good handful of listed and private equity owned media, IT and financial services companies in Scandinavia, Switzerland and the UK, and is an advisor to private equity funds in the UK and US. Recent directorships include a.o. Kvaerner ASA (N), Rentokil plc (UK) and the Mediatel Group (A). Mr. Frøshaug was the CEO of Egmont for 14 years, COO of Great Nordic for 5 years and headed Norsk Hydro's Danish Oil company for 10 years. He graduated from Copenhagen Business School with a Msc in foreign trade and has a MBA from INSEAD.

## Gunnar Bjørkavåg

**DIRECTOR**

Mr. Bjørkavåg is former CEO of Comma Dataservice, managing director of Telenor Plus and country manager of Compaq Computers. He is CEO of Norsk Handels & Sjøfartstidende – owner of among others Dagens Næringsliv, a leading financial newspaper seated in Oslo. Mr. Bjørkavåg is B. Sc. from BI, Norway, MBA from Henley Collecge/Oxford and AMP from Harvard Business College.

## Nic Humphries

**DIRECTOR**

Mr. Humphries, joined HGCapital in 2001 with 11 years' experience of the venture capital and private equity industry. He was previously with Geocapital Partners where, as general partner, he founded its European business and, prior to that, was head of Barclays Private Equity's IT and telecoms team. He started his career at 3i plc.

He is also director of the boards of Axiom, IRIS Software, Rolfe & Nolan and Xyratex and co-led investments in Addison Software and SiTel Semiconductor.

Mr. Humphries holds a First Class degree in electronic engineering and was an IEEE and National Engineering Council scholar.

## Lisa Stone

**DIRECTOR**

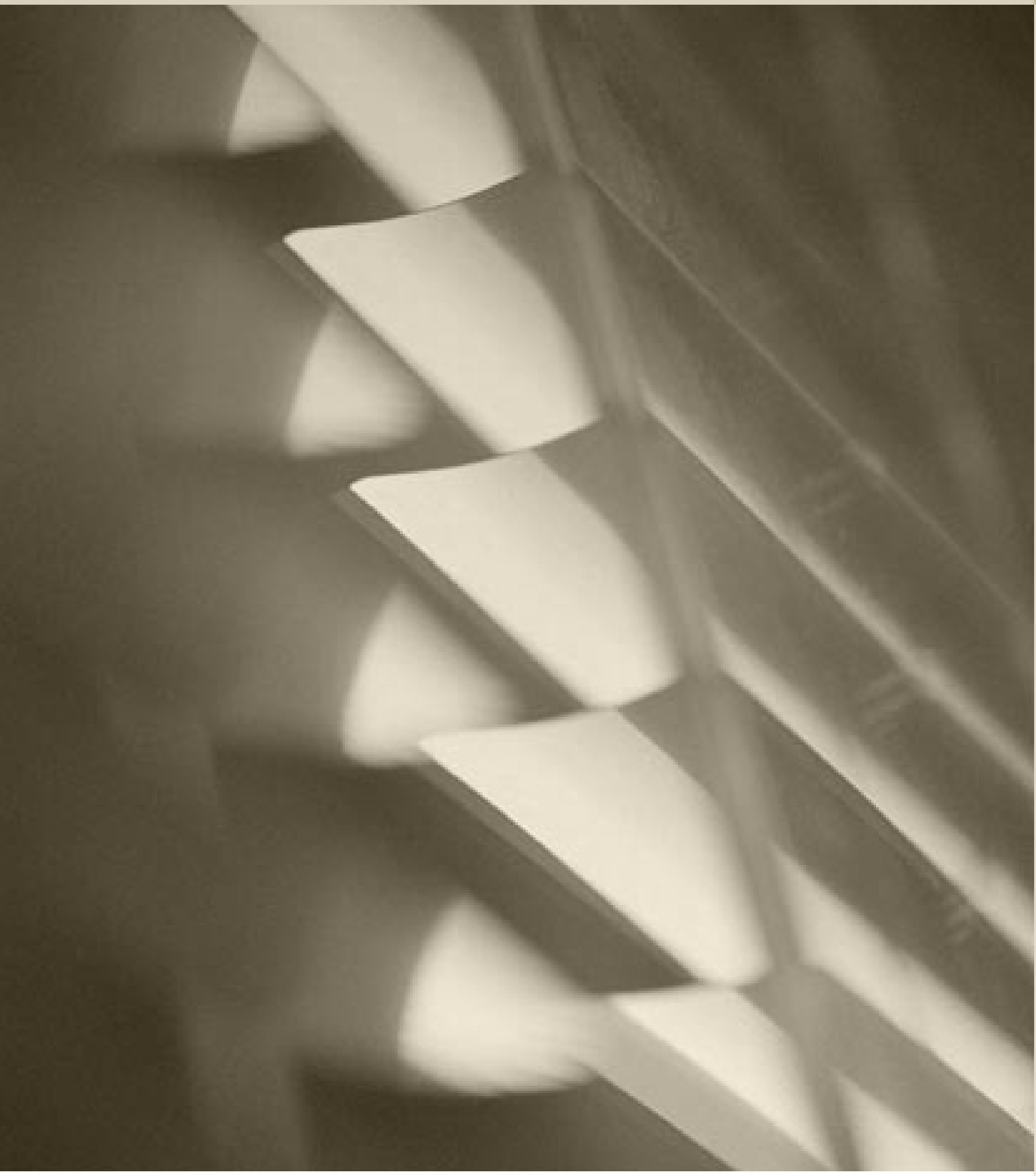
Ms. Stone, who is in charge of the portfolio management team, joined HGCapital in 1999. She was previously at LucasVarity for three years where, as director of strategy and business planning, she was closely involved in the disposal of LucasVarity to TRW. Prior to that she was a management consultant with both Kalchas and Bain & Co.

Ms. Stone was involved in the investments in Profiad, Tunstall, Newchurch and Match. She is also a director of the board of Sporting Index, Addison Software, IRIS Software, Newchurch and PBSG, and a non-executive director of Remploy.

Ms. Stone holds a degree in Human Sciences from Oxford University.

# CONSOLIDATED GROUP ACCOUNTS





# CONSOLIDATED PROFIT AND LOSS STATEMENT

## 1 January – 31 December

| *(Amounts in NOK 1 000)* | *Note* | **2007** | 2006 | 2005 |
|---|---|---|---|---|
| **Operating revenue** | | | | |
| Sales revenue | *2* | **2 723 213** | 2 305 616 | 1 906 614 |
| Total operating revenue | | **2 723 213** | 2 305 616 | 1 906 614 |
| **Operating expenses** | | | | |
| Cost of goods sold | | **403 044** | 374 399 | 254 479 |
| Payroll and personnel expenses | *3, 16* | **1 386 431** | 1 209 658 | 1 026 675 |
| Depreciation and Amortisation expenses | *4, 5* | **125 625** | 88 165 | 73 048 |
| Other operating expenses | *8, 16* | **443 769** | 416 645 | 367 827 |
| Total operating expenses | | **2 358 869** | 2 088 868 | 1 722 028 |
| Profit/loss from operating activities | | **364 344** | 216 748 | 184 586 |
| **Financial items** | | | | |
| Financial income | *9* | **28 085** | 30 696 | 13 583 |
| Financial expenses | *9* | **(173 482)** | (60 140) | (14 039) |
| Net financial items | | **(145 397)** | (29 445) | (456) |
| Ordinary profit before tax | | **218 947** | 187 303 | 184 130 |
| Tax on ordinary profit | *10* | **61 015** | 58 101 | 51 811 |
| Profit for the year | | **157 931** | 129 203 | 132 320 |
| Minority interests | | **2 933** | 6 045 | 7 667 |
| Profit after minority interests | | **154 998** | 123 157 | 124 652 |
| Earnings per share | *19* | **154 998** | 123 157 | 124 652 |
| Diluted earnings per share | *19* | **154 998** | 123 157 | 124 617 |

# CONSOLIDATED BALANCE SHEET
## 31 December

| *(Amounts in NOK 1 000)* | *Note* | **2007** | 2006 | 2005 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Fixed assets** | | | | |
| **Intangible assets** | | | | |
| Deferred tax assets | *10* | **63 789** | 78 778 | 89 799 |
| Goodwill | *4* | **1 677 487** | 1 561 345 | 1 077 763 |
| Other intangible assets | *4* | **231 333** | 262 462 | 26 132 |
| Contracts & Customer relationships | *4* | **195 262** | 238 513 | 145 511 |
| Total intangible assets | | **2 167 871** | 2 141 098 | 1 339 204 |
| | | | | |
| **Tangible fixed assets** | | | | |
| Property | *5* | **22 017** | 18 959 | 16 920 |
| Machinery and equipment | *5* | **72 049** | 72 775 | 67 470 |
| Total tangible fixed assets | | **94 066** | 91 734 | 84 390 |
| | | | | |
| **Financial assets** | | | | |
| Shares classified as available for sale | *21* | **6 432** | 95 130 | 92 895 |
| Long-term receivables in group companies | *7* | **275 764** | - | - |
| Other long-term receivables | | **4 202** | 6 487 | 9 462 |
| Total financial fixed assets | | **286 397** | 101 617 | 102 357 |
| Total fixed assets | | **2 548 335** | 2 334 449 | 1 525 951 |
| | | | | |
| **Current assets** | | | | |
| Inventory | | **21 091** | 20 141 | 14 926 |
| | | | | |
| **Receivables** | | | | |
| Accounts receivables | *6* | **370 125** | 371 512 | 294 675 |
| Other current receivables | *7* | **82 600** | 61 350 | 50 915 |
| Total receivables | | **452 725** | 432 862 | 345 590 |
| Shares classified as available for sale | *21* | **67 200** | - | 11 402 |
| Cash and cash equivalents | *12* | **435 977** | 196 507 | 361 164 |
| | | | | |
| Total current assets | | **976 993** | 649 510 | 733 082 |
| **TOTAL ASSETS** | | **3 525 327** | 2 983 960 | 2 259 033 |

| (Amounts in NOK 1 000) | Note | 2007 | 2006 | 2005 |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Paid-in capital | 14, 15 | **160 272** | 160 272 | 198 272 |
| Other reserves | 13 | **89 736** | 51 937 | 20 928 |
| Retained earnings | | **510 456** | 355 458 | 1 114 808 |
| Minority interests | | **8 329** | 23 798 | 44 021 |
| Total equity | | **768 793** | 591 466 | 1 378 029 |
| | | | | |
| **Non-current liabilities** | | | | |
| Pension liabilities | 3 | **1 998** | 1 834 | 2 082 |
| Deferred tax liability | 10 | **169 599** | 140 045 | 52 829 |
| Other long-term liabilities | 12 | **1 569 686** | 1 459 055 | 253 946 |
| Total non-current liabilities | | **1 741 283** | 1 600 933 | 308 858 |
| | | | | |
| **Current liabilities** | | | | |
| Bank overdraft | 22 | **100 000** | 47 793 | 5 440 |
| Trade creditors | 22 | **103 808** | 112 534 | 101 602 |
| Public duties payable | | **156 717** | 147 487 | 131 654 |
| Tax payable | | **1 131** | 13 993 | 17 503 |
| Other current liabilities | 22 | **653 596** | 469 753 | 315 947 |
| Total current liabilities | | **1 015 251** | 791 560 | 572 146 |
| Total liabilities | | **2 756 534** | 2 392 494 | 881 004 |
| | | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **3 525 327** | 2 983 960 | 2 259 033 |
| | | | | |
| Secured liabilities and guarantees | 17 | | | |

Oslo, 26 February 2008

Jan O. Frøshaug
*Chairman of the board*

Gunnar Bjørkavåg
*Director*

Lisa Stone
*Director*

Nic Humphries
*Director*

Øystein Moan
*CEO*

# CONSOLIDATED CASH FLOW STATEMENT

1 January – 31 December

| *(Amounts in NOK 1 000)* | **2007** | 2006 | 2005 |
|---|---|---|---|
| Ordinary profit / loss before tax | **218 947** | 187 303 | 184 130 |
| Depreciation and Amortisation expenses | **125 625** | 88 165 | 73 048 |
| Share based payment | **-** | 6 937 | - |
| Taxes paid | **(26 814)** | (45 703) | (14 376) |
| Cash flow from operations | **317 758** | 236 702 | 242 802 |
| Changes in inventory, accounts receivable and trade creditors | **(8 289)** | (71 120) | 3 667 |
| Change in other accruals | **148 824** | 131 507 | 40 962 |
| Net cash flow from operations | **458 294** | 297 088 | 287 431 |
| Capitalised development cost own software | **(7 907)** | (8 531) | - |
| Investment in tangible fixed assets | **(34 434)** | (41 238) | (37 064) |
| Sale of (investment in) businesses | **(98 042)** | (618 953) | (312 211) |
| Sale of (investment in) shares | **2 775** | 25 165 | (23 013) |
| Net cash flow from investments | **(137 608)** | (643 556) | (372 289) |
| Change in long term liabilities | **209 384** | 1 071 432 | 70 973 |
| Change in bank overdraft | **52 207** | 42 353 | (1 439) |
| Change in long term receivables | **(273 478)** | - | - |
| Net cash flow from share issues | **-** | - | 42 053 |
| Payment of dividend | **-** | (898 000) | (85 850) |
| Re-payment of share premium reserve | **-** | (38 000) | - |
| Cash inflow from dividends | **5 280** | 2 000 | 6 000 |
| Purchase of treasury shares | **-** | (1 087) | 24 894 |
| Cash inflow from interest | **20 289** | 7 791 | 7 410 |
| Cash outflow from interest | **(80 049)** | (12 646) | (13 747) |
| Net cash flow from financing activities | **(66 367)** | 173 842 | 50 294 |
| Net cash flow for the year | **254 318** | (172 626) | (34 563) |
| Cash and cash equivalents at 1 January | **196 507** | 361 164 | 396 744 |
| Net foreign exchange difference | **(14 848)** | 7 969 | (1 016) |
| Cash and cash equivalents at 31 December | **435 977** | 196 507 | 361 164 |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| *(Amounts in NOK 1 000)* | *Note* | Paid-in capital Share capital | Share premium reserve | Other reserves | Retained earnings | Majority's share of equity | Minority interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| Equity at 1 January 2006 | | 160 000 | 38 272 | 20 928 | 1 114 808 | 1 334 008 | 44 021 | 1 378 029 |
| Net unrealised Gains/(losses) on available-for-sale investments | | - | - | 15 998 | - | 15 998 | - | 15 998 |
| Currency translation differences | | - | - | 15 012 | - | 15 012 | - | 15 012 |
| Realisation own shares | | - | - | - | (1 087) | (1 087) | - | (1 087) |
| Net gains and losses not recognised in the income statement | | - | - | 31 010 | (1 087) | 29 922 | | 29 922 |
| Profit (loss) for the period | | - | - | - | 123 157 | 123 157 | 6 045 | 129 203 |
| Dividends | | - | - | - | (898 000) | (898 000) | - | (898 000) |
| Pay back of Share premium reserve | | - | (38 000) | - | - | (38 000) | - | (38 000) |
| Share based payment | | - | - | - | 6 937 | 6 937 | - | 6 937 |
| Inter company M&A | | - | - | - | 9 644 | 9 644 | (9 644) | - |
| Net changes minority | | - | - | - | - | - | (16 624) | (16 624) |
| Equity at 31 December 2006 | | 160 000 | 272 | 51 937 | 355 459 | 567 668 | 23 798 | 591 466 |
| | | | | | | | | |
| Equity at 1 January 2007 | | 160 000 | 272 | 51 937 | 355 459 | 567 668 | 23 798 | 591 466 |
| Net unrealised Gains/(losses) on available-for-sale investments | *21* | - | - | (8 832) | - | (8 832) | - | (8 832) |
| Currency translation differences | | - | - | 46 631 | - | 46 631 | - | 46 631 |
| Net gains and losses not recognised in the income statement | | - | - | 37 799 | - | 37 799 | - | 37 799 |
| Profit (loss) for the period | | - | - | - | 154 998 | 154 998 | 2 933 | 157 931 |
| Net changes minority | | - | - | - | - | - | (18 403) | (18 403) |
| Equity at 31 December 2007 | | 160 000 | 272 | 89 736 | 510 457 | 760 465 | 8 329 | 768 794 |

# NOTES TO THE CONSOLIDATED ACCOUNTS

## IFRS accounting principles 2007

### Corporate information

The consolidated financial statements of Visma AS, for the year ended 31 December 2007 were authorised for issue in accordance with a resolution of the directors on 26 February 2008. Visma AS is a limited liability company incorporated and domiciled in Oslo, Norway. The business address of Visma AS is Biskop Gunnerusgt, P O Box 774 SENTRUM N-0106 Oslo, Norway.

### Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale investments that have been measured at fair value. The consolidated financial statements are presented in NOK and all values are rounded to the nearest thousand (NOK 000) except when otherwise indicated.

### Statement of compliance

The consolidated financial statement of Visma AS including all its subsidiaries has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

### Consolidation

The consolidated financial statements comprise the financial statement of Visma AS and its subsidiaries at 31 December each year.

The group accounts show the total profit/loss and financial position of Visma AS and its controlling interests as a whole. The consolidated accounts include companies where Visma AS has a direct or indirect ownership of more than 50 per cent of the voting shares, or otherwise has direct control. Subsidiaries are consolidated 100 per cent line by line in the group accounts.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which Visma AS has control.

Inter-company receivables and liabilities and all transactions between group companies, as well as internal profit in inventories, have been eliminated.

Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The cost of an acquisition is measured as the fair value of the assets acquired, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess cost of acquisition over the fair value of the net assets of the subsidiary acquired measured at the date of change of control, is recorded as goodwill (see "Intangible Assets" for the accounting policy on goodwill).

The assets and liabilities of foreign subsidiaries are translated into the presentation currency (NOK) of Visma AS at the rate of exchange ruling at the balance sheet date, and their income statements are translated at the weighted average exchange rates for the year. All resulting exchange differences arising from the translation are derecognised as a separate component of equity (other reserves). On the disposal of a foreign entity, the cumulative amount of the exchange differences deferred in equity relating to the disposed entity is recognised in profit or loss when the gain or loss on disposal is recognised.

Gain or loss from sales of shares in subsidiaries are calculated as the difference between the sales price and the equity in the subsidiary at the time of divestment, adjusted with the book value of any excess values included in the consolidation and any related net deferred tax liabilities.

Goodwill related to acquisition of minority interest is calculated as the difference between the acquisition cost and the minority interest's part of the recorded net assets of the entity in which Visma is acquiring a minority interest.

### Foreign currency translation

The functional and presentation currency of Visma AS is Norwegian Kroner (NOK). Transactions in foreign currencies are initially recorded in the functional currency ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated income statement.

The functional currencies for subsidiaries in Sweden, Finland and Denmark are Swedish Kroner (SEK), Euro and Danish Kroner (DKK) respectively. As at the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of Visma at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the reporting period.

### Classification

All assets and liabilities related to the operating cycle are classified as current/short-term. For receivables and liabilities outside the operating cycle, the current/non-current distinction is determined based on a one year maturity-rule as from the acquisition date.

### Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised;

#### Licence fee for standard software

Revenue is recognised at the time of delivery, and when the significant risks and rewards of the ownership of the licence sold have passed to the buyer and can be reliably measured. Initial licence fees are recognised when:

- A non cancellable licence agreement has been signed
- The software and related documentation have been shipped
- No material uncertainties regarding customer acceptance exists
- Collection of the resulting receivable is deemed probable

#### Maintenance contracts

Maintenance contracts are normally committed on annual basis and within the financial year. Revenue from these contracts is recognised on a straight-line basis over the contract period. Customers normally have the right to cancel their utilisation rights at the latest (three to twelve) months prior to the next renewal period. Failing cancellation in due time, customers are obliged to pay for the next period. Such revenue from maintenance are recognised over the lifetime of the contract.

## Rendering of services

Revenues in connection with services provided with respect to delivery of standard software, including installation, implementation, reporting, and database development are recognised as the services are delivered.

Long term contracts are taken to income based on the percentage-of-completion method. In compliance with the earned income principle, a relative share of the total contract amount and expenses, equal to the work that has been done at the time of closing the accounts, is included in the profit and loss statement. For projects that at the time of evaluation are expected to produce a loss, provision is made immediately for the total loss expected.

Revenue from support and other consulting services is recognised when the services are performed.

Revenue from debt-collection cases is recognised using the stage-of-completion method.

### Dividends

Revenue is recognised when the group's right to receive the payment is established.

## Pensions

The group have pension schemes where the company's commitment is to contribute to the individual employee's pension scheme (contribution plans). Contributions paid to the pension plans are expensed.

## Income tax

Deferred income tax is provided, using the liability method, on all temporary differences, except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Taxable and deductible differences, which are, or may be, reversed in the same period, are offset. Any remaining deductible difference is used as a basis for recognising a deferred tax asset if future taxable income is likely to occur. Deferred tax liability and assets are presented net within the same tax regime.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Expected utilisation of tax losses are not discounted when calculating the deferred tax asset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

## Intangible assets

### Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure carried forward is amortised over the period of the expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

### Identifiable intangible assets acquired in business combinations

Values related to contracts and customer relationships are identified and recorded as identifiable intangible assets. The fair value of contracts and customer relationships are calculated considering the estimated future recurring revenues from the customers in the acquired operations at the date of the acquisition. The value related to contracts and customer relationships are calculated on a 100 per cent basis, including the share of any minority interest. The fair value of tax amortisations are considered in the recorded value of contracts and customer relationships. Any deferred tax liabilities related to the recorded contracts and customer relationships are calculated at nominal values and the difference between the fair value of the tax amortisations and the corresponding deferred tax liabilities are recorded as a part of goodwill.

Purchased rights and contracts and customer relationships acquired are capitalised at fair value at the date of acquisition. Following initial recognition, the cost model is applied to this class of intangible assets. Purchased rights and contract and customer relationships have a finite useful life and are amortised on a straight-line basis over its useful life which is estimated to 4-7 years. The depreciable amount is determined after deducting its residual value (only where there is an active market for the asset). Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

An item of intangible assets is derecognised upon disposal or when no future economics benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of intangible assets are recorded as other operating revenues and other operating costs respectively in the year the item is derecognised.

The carrying values of intangible assets with finite useful life are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of intangible assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

### Goodwill

Goodwill on acquisitions is initially measured at cost being the excess of the cost of the business combination over the group's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of the acquisition.

Following initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill on acquisitions after 1 January 2004 and goodwill already carried in the balance sheet at the transition date is not amortised after this date. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units. A cash-generating unit to which goodwill has been allocated will be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. Where recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the cash-generating unit.

If Visma's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost, the difference is recognised immediately in the income statement.

## Property and equipment

Property and equipment acquired by group companies are stated at historical cost, except the assets of acquired subsidiaries that were stated at the fair values at the date of acquisition. Depreciation is charged on a straight-line basis over the estimated useful life of the assets. The amount to be depreciated is the carrying amount less the asset's residual value.

Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Ordinary repair and maintenance (day-to-day servicing) of tangible assets is recorded as an operating cost, whereas improvements are capitalised and depreciated over its useful life. An item of property and equipment is derecognised upon disposal or when no future economics benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of fixed assets are recorded as other operating revenues or other operating costs respectively in the year the item is derecognised.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

## Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

## Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year relates to goodwill and are discussed below.

### Impairment of goodwill

The group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More details are given in Note 22.

## Inventories

Inventories are valued at the lower of cost and net realisable value. The original cost of purchased goods is the purchase price and is based on the FIFO principle. The original cost of work in progress and own manufactured goods are the direct cost of production plus a share of the indirect cost of production. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are reduced for estimated obsolescence.

## Accounts receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

## Cash and cash equivalents

Cash and cash equivalents comprise bank deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Restricted cash is included as cash and cash equivalents. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net outstanding bank overdraft.

## Leases

Finance leases, which transfer to the group substantially all the risk and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

## Earnings per share

Earnings per share is calculated by dividing the majority shareholders share of the profit/loss for the period by the weighted average number of ordinary shares outstanding over the course of the period. When calculating diluted earnings per share, the average number of shares outstanding is adjusted for all share options that have a potential dilutive effect. Options that have a dilutive effect are treated as shares from the date they are issued.

## Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loan.

## Cash flow

The cash flow statement has been drawn up in accordance with the indirect method and report cash flows during the period classified by operating, investing and financing activities. Cash and cash equivalents consist of cash and cash equivalents as defined under cash and cash equivalents, net outstanding bank overdraft.

## Financial instruments

In accordance with IAS 39, Financial instruments: Recognition and measurement, financial instruments within the scope of IAS 39 are classified in the following categories: at fair value with changes in value through profit or loss, held to maturity, loans and receivables, available for sale and other liabilities.

Investments that are held to maturity, loans and receivables and other liabilities are recognised at their amortised cost. Financial instruments that are classified as available for sale and held for trading purposes are recognised at their fair value, as observed in the market on the balance sheet date, without deducting costs linked to a sale. For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using arm's length market transactions or discounted cash flow analysis.

The gain or loss resulting from changes in the fair value of financial investments that are classified as available for sale is recognised directly in equity until the investment is sold. When the investment is sold, the accumulated gain or loss on the financial instrument that has previously been recognised in equity is reversed and the gain or loss is recognised in the income statement.

## Events after the balance sheet date

New information on the company's financial position on the balance sheet which becomes known after the balance sheet date is recorded in the annual accounts. Events after the balance date sheet date that do not affect the company's financial position on the balance sheet but which will affect the company's financial position in the future are disclosed if significant.

## New accounting standards

Standards and Interpretations in issue not yet adopted.

At the date of authorisation of these financial statements, the following Standard and Interpretations were in issued but not yet effective:

- IFRIC 12 Service Concession Arrangements (effective 1 January 2008);
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding

The group anticipate that all of the above Interpretations will be adopted in the group's financial statements for the period commencing 1 January 2008 and that the adoption of those Interpretations will have no material impact on the financial statements of the group in the period of initial application.

The group has implemented the following new/amended standards and interpretations this year. Comparative figures have been amended and the implementation has no effect on the equity at 1 January 2006.

- IFRS 7 Financial statements- disclosure
- IAS 1 Disclosure about capital resources

### Non-mandatory ifrs standards

The following new standards and amendments to existing standards have been issued by the IASB but not implemented by the group. These will not be implemented until they become mandatory:

- Revised IFRS 3 Business combination (to be applied prospectively to business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009, early adoption possible but not before the standard is endorsed by EU)
- IFRS 8 Segment reporting (effective from 1 January 2009, early adoption possible)
- Revised IAS 1 Presentation of Financial Statements (effective from 1 January 2009, early adoption possible but not before the standard is endorsed by EU)

The group has not yet concluded on the potential impact of these new/revised standards or whether the group will early implement these standards

## NOTE 1 – ACQUISITIONS

| *(Amounts in NOK)* | Description | Acquisition date | Percentage of voting equity instruments acquired | Cost price | Cost associated with the acquisition | Consideration total |
|---|---|---|---|---|---|---|
| Kompetanseweb AS | ERP - Software | 30.01.07 | 76.28% - 100% | 3 043 182 | | 3 043 182 |
| Visma Retail AS * | Retail - Software | 23.08-14.12.2007 | 60.09% - 90.1% | 115 817 513 | | 115 817 513 |
| AccountView BV ** | ERP - Software | 31.12.07 | 100% | 30 843 990 | | 30 843 990 |
| Rotator As (DK) | ERP - Software | 01.02.07 | - | 1 580 065 | | 1 580 065 |
| Volym AB | Proc - Services | 08.08.07 | 100% | 12 301 201 | 212 866 | 12 514 067 |
| Multimedia Capital Romania SRL | R&D - Software | 31.12.07 | 100% | 9 145 828 | | 9 145 828 |
| Merkantiltjenester AS | Acc - Services | 01.05.07 | 100% | 2 400 000 | | 2 400 000 |
| Totalt regnskap AS | Acc - Services | 01.11.07 | 100% | 5 000 000 | | 5 000 000 |
| Customer base from VM data (NO) | Acc - Services | 01.07.07 | - | 7 200 000 | | 7 200 000 |
| Customer base from VM data (SE) | Acc - Services | 01.01.07 | - | 7 586 034 | | 7 586 034 |
| Other | Acc - Services | - | - | 3 561 900 | | 3 561 900 |

**The cash outflow on acquisition is as follows:**

| | |
|---|---|
| Consideration total | 198 692 579 |
| Deferred payment Visma Retail AS | (68 507 085) |
| Change in estimated earn-out | (30 843 990) |
| Cash paid | 99 341 504 |
| Net cash acquired with the acquisitions | 1 309 122 |
| Net cash (outflow)/inflow | (98 041 953) |

** The acquisition of shares in Visma Retail AS was made from minority owners of the company. The consideration has been allocated to goodwill.*
*** Change in estimated consideration regarding the purchase of AccountView BV. The change in earn-out has been allocated to goodwill.*

The aggregated fair value of identifiable assets and liabilities and the goodwill arising at the date of acquisition for material transactions are:

| **Consolidated** | **2007** | 2006* |
|---|---|---|
| *(Amounts in NOK 1 000)* | Volym AB | AccountView BV, Visma Retail AS |
| Deferred tax assets | **980** | - |
| Other intangible assets | **-** | - |
| Machinery and equipment | **127** | 3 461 |
| Property | **-** | 12 972 |
| Inventories | **-** | 2 648 |
| Trade receivables | **634** | 40 655 |
| Cash and cash equivalents | **74** | 30 745 |
| Other long-term liabilities | **-** | 7 351 |
| Deferred tax liability | **-** | 2 632 |
| Bank overdraft | **848** | - |
| Trade creditors | **1 120** | 3 992 |
| Public duties payable | **393** | 8 397 |
| Tax payable | **-** | 1 041 |
| Other current liabilities | **1 335** | 37 595 |
| Fair value of net assets | **(1 881)** | 29 473 |

| **Consolidated** | **2007** | 2006* |
|---|---|---|
| *(Amounts in NOK 1 000)* | Volym AB | AccountView BV, Visma Retail AS |
| Goodwill arising on acquisition | **-** | 375 662 |
| Other intangible assets | **8 391** | 224 887 |
| Contracts and customer relationship arising on acquisition | **8 340** | 115 843 |
| Deferred tax liability | **(2 335)** | (87 507) |
| Consideration total | **12 514** | 658 358 |
| Profit for the year | **(1 995)** | 34 512 |
| Profit for the year before acquisition | **(1 992)** | 30 289 |
| Profit contribution to the Visma Group | **(3)** | 4 223 |

The goodwill arising on these acquisitions are attributable to the anticipated profitability of the operations and to the anticipated synergies.

For further comments on goodwill arising from acquisitions, please see note 4.

** 2006 numbers includes the purchase price allocation related to AccountView BV and RBS AB, the only material investments in 2006.*

## NOTE 2 – SEGMENT INFORMATION

The group's primary reporting format is business segments and its secondary format is geographical segments.

The definitions of business segments are based on the company's internal reporting and are strategic segments that offer different products and services with different risk and rate of returns. The company has three reportable segments: Visma Software (Software), Visma Services (Services) and Visma Financial and Productivity Services (F&P). The "Eliminations" category includes sales and transfers between the different reportable segments. Transactions within the various segments are eliminated. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. The group's geographical segments are determined by the location of the group's operations. Summarised financial information concerning each of the company's reportable business segments is as follows:

| **CONSOLIDATED** | **2007** | | | | | | 2006 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(Amounts in NOK million)* | Software | Services | F&P | VISMA AS | Elim.* | Consolidated | Software | Services | F&P | VISMA AS | Elim.* | Consolidated |
| Operating revenue from external customers | **1 643.4** | **785.1** | **294.7** | | | **2 723.2** | 1 375.4 | 673.4 | 256.8 | | | 2 305.6 |
| Operating revenue from internal customers | **87.6** | **10.2** | **8.1** | **-** | **(105.9)** | **-** | 21.5 | 8.9 | 3.3 | - | (33.6) | - |
| Total operating revenue | **1 731.0** | **795.3** | **302.9** | **-** | **(105.9)** | **2 723.2** | 1 396.9 | 682.2 | 260.1 | - | | 2 305.6 |
| Operating expenses** | **1 355.1** | **708.9** | **245.7** | **29.4** | **(105.9)** | **2 233.2** | 1 153.0 | 617.2 | 224.4 | 39.7 | (33.6) | 2 000.7 |
| Depreciation | **96.2** | **17.1** | **12.3** | **-** | **-** | **125.6** | 67.0 | 10.4 | 10.8 | - | - | 88.2 |
| Profit/loss from operating activities | **279.7** | **69.2** | **44.8** | **(29.4)** | **-** | **364.3** | 176.9 | 54.6 | 24.9 | (39.7) | - | 216.7 |
| Net financial items | **1.2** | **0.6** | **2.7** | **(149.9)** | **-** | **(145.4)** | 6.6 | 2.9 | 3.5 | (42.4) | - | (29.4) |
| Profit before income tax | **280.9** | **69.9** | **47.4** | **(179.3)** | **-** | **218.9** | 183.5 | 57.6 | 28.4 | (82.1) | - | 187.3 |
| Income tax expense | **(78.3)** | **(19.5)** | **(13.2)** | **50.0** | **-** | **(61.0)** | (51.4) | (16.1) | (9.4) | 18.8 | - | (58.1) |
| Net profit for the year | **202.6** | **50.4** | **34.2** | **(129.3)** | **-** | **157.9** | 132.1 | 41.4 | 19.0 | (63.3) | - | 129.2 |
| Profit margin | **17.5%** | **9.7%** | **16.6%** | **-** | **-** | **18.0%** | 16.2% | 8.3% | 12.6% | - | - | 13.2% |
| Current assets | **736.9** | **169.1** | **202.8** | **396.4** | **(528.2)** | **977.0** | (332.5) | 300.8 | 315.7 | 452.8 | (87.2) | 649.5 |
| Non current assets | **1 580.7** | **427.1** | **281.1** | **1 922.8** | **(1 663.4)** | **2 548.3** | 1 575.3 | 420.6 | 305.6 | 845.7 | (812.8) | 2 334.4 |
| Total assets | **2 317.7** | **596.2** | **483.9** | **2 319.2** | **(2 191.6)** | **3 525.3** | 1 242.8 | 721.4 | 621.2 | 1 298.5 | (900.0) | 2 984.0 |
| Segment current liabilities | **463.7** | **146.4** | **83.5** | **608.0** | **(286.4)** | **1 015.3** | 514.6 | 137.6 | 87.7 | 81.0 | (29.2) | 791.6 |
| Segment non current Liabilities | **166.9** | **31.9** | **5.7** | **1 135.7** | **401.0** | **1 741.3** | 629.8 | 17.1 | 6.7 | 969.6 | (22.3) | 1 600.9 |
| Total segment liabilities | **630.6** | **178.4** | **89.2** | **1 743.7** | **114.6** | **2 756.5** | 1 144.3 | 154.7 | 94.4 | 1 050.6 | (51.5) | 2 392.5 |
| Equity | **1 687.0** | **417.9** | **394.7** | **575.5** | **(2 306.3)** | **768.8** | 98.4 | 566.8 | 526.8 | 247.9 | (848.5) | 591.5 |
| Cash flow from operating activities | **375.9** | **86.3** | **57.1** | **(448.3)** | **387.2** | **458.3** | 243.8 | 65.0 | 35.7 | (39.7) | (7.8) | 297.1 |
| Cash flow from investment activities *** | **(29.8)** | **(9.6)** | **(2.8)** | **(95.4)** | **-** | **(137.6)** | (453.7) | (12.9) | (6.4) | (170.6) | - | (643.6) |
| Cash flow from financing activities *** | **1.2** | **0.6** | **2.7** | **(70.8)** | **-** | **(66.4)** | 429.4 | 2.9 | 3.5 | (262.0) | - | 173.8 |
| Capital expenditure | **(21.9)** | **(9.6)** | **(2.8)** | **(0.1)** | **-** | **(34.4)** | (30.9) | (6.2) | (4.1) | - | - | (41.2) |

* *Items outside the segments and eliminations*
** *Operating expenses before depreciation and amortisation*
*** *Visma AS included holding companies*

(Note 2 continued)

**Actual 2007–2006 and geographical segments:**

| **CONSOLIDATED** *(Amounts in NOK million)* | **2007** Operating revenue | EBITDA | EBITDA margin | Growth | Total assets | Captial expenditure | 2006 Operating revenue | EBITDA | EBITDA margin | Growth | Total assets |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Norway | **813.1** | **147.6** | **18.2%** | **3.4%** | **727.1** | **(11.9)** | 786.7 | 118.4 | 15.0% | 31.5% | 331.2 |
| Sweden | **539.1** | **126.0** | **23.4%** | **33.5%** | **525.5** | **(7.1)** | 403.9 | 86.4 | 21.4% | 19.8% | 524.7 |
| Finland | **148.3** | **21.9** | **14.8%** | **0.6%** | **308.7** | **(1.5)** | 147.5 | 26.7 | 18.1% | 5.3% | 315.1 |
| Denmark | **28.6** | **6.4** | **22.4%** | **13.3%** | **32.3** | **(0.4)** | 25.3 | 4.0 | 16.0% | 70.3% | 21.6 |
| Netherlands | **114.2** | **74.0** | **64.8%** | **n/a** | **724.0** | **(1.0)** | 12.0 | 8.3 | 69.1% | n/a | 50.2 |
| Visma Software | **1 643.4** | **375.9** | **22.9%** | **19.5%** | **2 317.7** | **(21.9)** | 1 375.4 | 243.8 | 17.7% | 26.1% | 1 242.8 |
| Norway | **513.1** | **53.2** | **10.4%** | **15.7%** | **341.0** | **(4.6)** | 443.5 | 36.3 | 8.2% | 8.4% | 456.2 |
| Sweden | **113.3** | **6.6** | **5.8%** | **33.2%** | **113.1** | **(3.2)** | 85.1 | 3.8 | 4.5% | 9.4% | 122.4 |
| Finland | **53.8** | **12.7** | **23.6%** | **21.8%** | **51.2** | **(0.4)** | 44.2 | 11.3 | 25.7% | 21.9% | 49.8 |
| Denmark | **104.9** | **13.8** | **13.2%** | **4.2%** | **90.9** | **(1.4)** | 100.7 | 13.6 | 13.5% | 18.8% | 93.0 |
| Visma Services | **785.1** | **86.3** | **11.0%** | **16.6%** | **596.2** | **(9.6)** | 673.4 | 65.0 | 9.7% | 10.8% | 721.4 |
| Norway | **209.2** | **38.5** | **18.4%** | **18.4%** | **313.3** | **(2.5)** | 176.6 | 19.1 | 10.8% | 24.0% | 459.3 |
| Sweden | **81.8** | **18.0** | **22.0%** | **6.3%** | **166.7** | **(0.3)** | 77.0 | 16.4 | 21.3% | 16.9% | 158.6 |
| Denmark | **3.7** | **0.6** | **17.2%** | **15.5%** | **3.9** | **0.0** | 3.2 | 0.3 | 8.6% | 185.0% | 3.3 |
| Visma F&P | **294.7** | **57.1** | **19.4%** | **14.8%** | **483.9** | **(2.8)** | 256.8 | 35.7 | 13.9% | 23.3% | 621.2 |
| Total operating units | **2 723.2** | **519.4** | **19.1%** | **18.1%** | **-** | **-** | 2 305.6 | 344.6 | 14.9% | 20.9% | - |
| Visma AS/eliminations | **-** | **(29.4)** | **-** | **-** | **127.6** | **(0.1)** | - | (39.7) | - | - | 398.5 |
| Total | **2 723.2** | **490.0** | **18.0%** | **18.1%** | **3 525.3** | **(34.4)** | 2 305.6 | 304.9 | 13.2% | 20.9% | 2 984.0 |

## **NOTE 3** – PAYROLL AND PERSONNEL EXPENSES

**CONSOLIDATED**

| *(Amounts in NOK 1 000)* | **2007** | 2006 | 2005 |
|---|---|---|---|
| Salaries | **1 145 224** | 992 524 | 842 386 |
| Employer's national insurance contributions | **150 227** | 131 544 | 111 645 |
| Pension expenses | **52 077** | 41 581 | 35 291 |
| Other personnel expenses | **38 903** | 44 010 | 37 353 |
| Total | **1 386 431** | 1 209 658 | 1 026 675 |
| | | | |
| Average number of employees | **2 814** | 2 489 | 2 237 |

**Pensions**

Visma implemented contribution-based pension scheme before it became a statutory obligation. From the beginning the scheme was in accordance with such obligation, and Visma could therefore roll out the existing scheme in all entities in Norway. The annual contribution to the scheme is expensed as the year’s pension expenses. Visma has no obligation beyond the annual contribution. Visma also has contribution-based schemes in Denmark, Finland, Sweden and Norway. The group’s capitalised pension liabilities of NOK 1 998 000 originate from acquired entities. NOK 908 000 apply to an unsecured scheme for a former employee in an acquired company.

## NOTE 4 – GOODWILL AND OTHER INTANGIBLE ASSETS

| **CONSOLIDATED** *(Amounts in NOK 1 000)* | Trademark | Technology | Development cost[1] | Contracts & customer relationships | Purchased rights[2] | Goodwill[2] |
|---|---|---|---|---|---|---|
| Cost at 1 January 2007, net of accumulated Amortisation | 4 991 | 129 304 | 8 531 | 238 513 | 119 635 | 1 561 345 |
| Acquisition of subsidiary | - | - | - | 25 389 | 1 580 | 158 654 |
| Additions | - | - | 7 907 | - | - | - |
| Amortisation for the year | (583) | (16 363) | (565) | (59 973) | (16 460) | - |
| Exchange adjustments | (163) | (4 221) | - | (8 667) | (2 261) | (42 512) |
| Balance at 31 December 2007 | 4 245 | 108 721 | 15 872 | 195 262 | 102 494 | 1 677 487 |
| | | | | | | |
| **At 1 January 2007** | | | | | | |
| Cost | 5 033 | 130 380 | 8 531 | 327 934 | 188 104 | 1 692 548 |
| Accumulated Amortisation and impairment | (42) | (1 076) | - | (89 421) | (68 469) | (131 203) |
| Exchange adjustments | - | - | - | - | - | - |
| Balance at 1 January 2007 | 4 991 | 129 304 | 8 531 | 238 513 | 119 635 | 1 561 345 |
| | | | | | | |
| **At 31 December 2007** | | | | | | |
| Cost | 5 033 | 130 380 | 16 438 | 344 656 | 187 424 | 1 808 691 |
| Accumulated Amortisation and impairment | (625) | (17 439) | (565) | (149 394) | (84 929) | (131 203) |
| Exchange adjustments | (163) | (4 221) | - | - | - | - |
| Balance at 31 December 2007 | 4 245 | 108 721 | 15 872 | 195 262 | 102 494 | 1 677 487 |

*1) Internally generated expenses.*
*2) Purchased as part of business combination*

Contracts and customer relationships represents intangible assets purchased through the effect of a business combination. The useful lives of these intangible assets were estimated as having a finite life and is amortised under the straight-line method over a period of 4-7 years. These assets are tested for impairment where an indicator on impairment arises. Purchased rights represents intangible assets purchased through the effect of a business combination. The useful lives of these intangible assets were estimated as having a finite life and is amortised under the straight-line method over a period of 4-6 years. These assets are tested for impairment where an indicator on impairment arises. Technology and trademark represents intangible assets purchased through the effect of a business combination. The useful lives of these intangible assets were estimated as having a finite life and is amortised by using the diminishing balance method.

At 1 January 2004, goodwill was no longer amortised and was annually tested for impairment, see note 23.

| **CONSOLIDATED** *(Amounts in NOK 1 000)* | Acquired (year) | Trademark | Technology | Purchased rights[2] |
|---|---|---|---|---|
| **Investment in purchased rights** | | | | |
| Rotator A/S | 2007 | - | - | 1 580 |
| Total | | - | - | 1 580 |

*2) Purchased as part of business combination*

(Note 4 continued)

| **CONSOLIDATED** *(Amounts in NOK 1 000)* | Acquired (year) | Contracts and customer relationships | Goodwill |
|---|---|---|---|
| **Investment in goodwill *** | | | |
| Visma Retail AS | 2002-2007 | - | 100 371 |
| Kompetanseweb AS | 2004-2007 | - | 1 937 |
| AccountView BV | 2006-2007 | - | 30 844 |
| Merkantil Tjenester AS | 2007 | 2 080 | 582 |
| Total Regnskap AS | 2007 | 3 604 | 1 009 |
| Volym AB | 2007 | 8 340 | 8 391 |
| Multimedia Capital Romania SRL | 2007 | - | 5 854 |
| Customer base from VM data | 2007 | 7 586 | 9 324 |
| Other | 2007 | 3 781 | 341 |
| Total | | 25 389 | 158 654 |

** For further comments on acquisitions, please see note 1.*

| **CONSOLIDATED** *(Amounts in NOK 1 000)* | Trademark | Technology | Development cost [1] | Contracts & customer relationships | Purchased rights [2] | Goodwill [2] |
|---|---|---|---|---|---|---|
| Balance at 1 January 2006 | - | - | - | 145 511 | 26 132 | 1 077 763 |
| Acquisition of subsidiary | 5 033 | 130 380 | - | 129 591 | 95 459 | 459 024 |
| Additions | - | - | 8 531 | - | 14 733 | - |
| Disposal | - | - | - | - | - | - |
| Amortisation | (42) | (1 076) | - | (40 345) | (18 114) | - |
| Exchange adjustments | - | - | - | 3 756 | 1 426 | 24 559 |
| At 31 December 2006 | 4 991 | 129 304 | 8 531 | 238 513 | 119 635 | 1 561 345 |
| **At 1 January 2006** | | | | | | |
| Cost | - | - | - | 194 586 | 76 487 | 1 208 966 |
| Accumulated Amortisation and impairment | - | - | - | (49 075) | (50 355) | (131 203) |
| At 1 January 2006 | - | - | - | 145 511 | 26 132 | 1 077 763 |
| **At 31 December 2006** | | | | | | |
| Cost | 5 033 | 130 380 | 8 531 | 327 934 | 188 104 | 1 692 548 |
| Accumulated Amortisation and impairment | (42) | (1 076) | - | (89 421) | (68 469) | (131 203) |
| At 31 December 2006 | 4 991 | 129 304 | 8 531 | 238 513 | 119 635 | 1 561 345 |

*1) Internally generated expenses*
*2) Purchased as part of business combination*

| *(Amounts in NOK 1 000)* | **2007** | 2006 | 2005 | 2004 |
|---|---|---|---|---|
| The group has incurred the following software research and development expenses | **238 113** | 207 055 | 172 546 | 135 548 |

Research and development expenses include salaries for employees in the group's development department and an estimate of the development department's proportional share of the operating expenses. Development expenses have been assessed by the group in accordance with IAS 38.

## NOTE 5 – TANGIBLE FIXED ASSETS

**CONSOLIDATED**

| *(Amounts in NOK 1 000)* | Machinery and equipment | Property* | Total |
|---|---|---|---|
| **At 1 January 2007** | 72 775 | 18 959 | 91 734 |
| Investment | 30 950 | 3 484 | 34 434 |
| Disposal and scrap | (2 017) | - | (2 017) |
| Depreciation for the year | (31 681) | - | (31 681) |
| Exchange adjustments | 2 021 | (425) | 1 595 |
| At 31 December 2007 | 72 049 | 22 017 | 94 066 |
| **At 1 January 2007** | | | |
| Cost | 279 789 | 18 959 | 298 748 |
| Accumulated depreciation | (207 014) | - | (207 014) |
| At 1 January 2007 | 72 775 | 18 959 | 91 734 |
| **At 31 December 2007** | | | |
| Cost | 308 723 | 22 017 | 330 740 |
| Accumulated depreciation | (236 674) | - | (236 674) |
| At 31 December 2007 | 72 049 | 22 017 | 94 066 |
| Depreciation rates (straight line method) | 10-33.33% | 0 - 4% | |

** Visma AS owns holiday apartments in Spain with a book value of NOK 8 874 000*

**CONSOLIDATED**

| *(Amounts in NOK 1 000)* | Machinery and equipment | Property** | Total |
|---|---|---|---|
| **At 1 January 2006** | 67 470 | 16 920 | 84 390 |
| Investment | 39 313 | 13 454 | 52 768 |
| Disposal and scrap | (3 764) | (11 530) | (15 294) |
| Depreciation for the year | (28 588) | - | (28 588) |
| Exchange adjustments | (1 656) | 114 | (1 541) |
| At 31 December 2006 | 72 775 | 18 959 | 91 734 |
| **At 1 January 2006** | | | |
| Cost | 244 240 | 17 435 | 261 675 |
| Accumulated depreciation | (176 770) | (515) | (177 285) |
| At 31 December 2006 | 67 470 | 16 920 | 84 390 |
| **At 31 December 2006** | | | |
| Cost | 279 789 | 18 959 | 298 748 |
| Accumulated depreciation | (207 014) | - | (207 014) |
| At 31 December 2006 | 72 775 | 18 959 | 91 734 |
| Depreciation rates (straight line method) | 10-33.33% | 0 - 4% | |

*** Visma AS owns holiday apartments in Spain with a book value of NOK 5 390 000.*

## NOTE 6 – ACCOUNTS RECEIVABLE

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| Accounts receivables | **370 125** | 371 512 |

On a consolidated basis the provision for bad debts at 31 December 2007 is NOK 11 992 000, while at 31 December 2006 it was NOK 8 637 800.

**Movement in provision for bad debt:**

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| Provision for bad debt at 1 January | **8 638** | 8 410 |
| This years cost | **13 264** | 8 267 |
| Write off this year | **(3 646)** | (2 467) |
| Changes in provisions | **(6 264)** | (5 572) |
| Provision for bad debt at 31 December | **11 992** | 8 638 |

**At 31 December the group's accounts receivable due but not paid were as follows:**

| *(Amounts in NOK 1 000)* | Current | 31-60 days | 61-90 days | 91-180 days | 181+ days | Year end |
|---|---|---|---|---|---|---|
| Trade receivables 2007 | 331 719 | 27 108 | 5 963 | 6 529 | 10 798 | 382 117 |
| Trade receivables 2006 | 339 142 | 19 539 | 7 109 | 4 350 | 10 010 | 380 149 |

The group's accounts receivable which have been due for more than 180 days, excluding VAT, amount to NOK 8 638 400 (NOK 8 008 000 in 2006).

The company considers the provision for bad debt to be adequate.

## NOTE 7 – OTHER CURRENT AND LONG-TERM RECEIVABLES

**CONSOLIDATED**

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| **Other current receivables** | | |
| Prepaid expenses | **33 522** | 29 767 |
| Other short term receivables | **23 778** | 19 850 |
| Prepaid taxes | **13 915** | - |
| Work in progress | **11 386** | 11 733 |
| Total other short term receivables | **82 600** | 61 350 |

**Other long term receivables**
The parent company of Visma AS, Engel Holding AS' draw in the cash-pool facility amounts to NOK 275 764 000.

## NOTE 8 – OTHER OPERATING EXPENSES

**CONSOLIDATED**

| *(Amounts in NOK 1 000)* | **2007** | 2006 | 2005 |
|---|---|---|---|
| Rent | **112 729** | 103 862 | 91 120 |
| Other office expenses | **95 867** | 90 265 | 73 401 |
| Telephone, postage | **26 349** | 22 361 | 20 143 |
| Travel expenses | **43 830** | 42 161 | 38 488 |
| Vehicles and transport | **13 447** | 13 783 | 11 330 |
| Leasing expenses | **13 471** | 13 480 | 12 170 |
| Sales and marketing | **73 263** | 67 586 | 71 193 |
| Audit, lawyers' fees and other consulting services | **51 550** | 54 881 | 40 904 |
| Bad debts | **13 264** | 8 267 | 9 079 |
| Total other operating expenses | **443 769** | 416 645 | 367 827 |

## NOTE 9 – FINANCIAL INCOME AND EXPENSES

**CONSOLIDATED**

| *(Amounts in NOK 1 000)* | **2007** | 2006 | 2005 |
|---|---|---|---|
| **Financial income includes the following items:** | | | |
| Dividend/transfer from investments | **5 280** | 2 000 | 6 000 |
| Gain on sale of shares | **-** | 2 085 | - |
| Other interest income | **20 289** | 7 791 | 6 651 |
| Foreign exchange gains* | **702** | 17 825 | 173 |
| Other financial revenues | **1 815** | 995 | 759 |
| Total financial income | **28 085** | 30 696 | 13 583 |
| **Financial expenses include:** | | | |
| Interest expense | **103 440** | 20 570 | 11 095 |
| Loss on sale of shares in subsidiaries | **9 837** | - | - |
| Foreign exchange losses* | **55 332** | 29 769 | 292 |
| Other financial expenses | **4 874** | 9 802 | 2 652 |
| Total financial expenses | **173 482** | 60 140 | 14 039 |

** Foreign exchange gains/losses are in all material respects associated with inter-company items that represent true foreign exchange risk for the group*

**Average effective interest rate on financial instruments**

| | **2007** | 2006 |
|---|---|---|
| **Interest bearing deposits** | | |
| Bank overdraft | **7.46%** | - |
| Loan secured by mortgage | **6.92%** | 5.90% |

## NOTE 10 – TAX ON ORDINARY PROFITS

**Major components of income tax expense for the years ended 31 December 2007 and 2006 are:**

**CONSOLIDATED**

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| Tax payable | **18 090** | 17 055 |
| Adjustments in respect of current income tax of previous years | **(294)** | - |
| Changes in deferred taxes | **43 219** | 41 046 |
| Charged directly against equity | **-** | - |
| Income tax expense | **61 015** | 58 101 |

Below is an explanation of why the tax expense for the year does not make up 28 per cent of the pre-tax profit. 28 per cent is the tax rate of the parent company Visma AS.

**CONSOLIDATED**

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| **Ordinary profit before tax** | **218 947** | 187 303 |
| 28% tax on ordinary profit before tax | **61 305** | 52 445 |
| Adjustments in respect of current income tax of previous years | **552** | - |
| Permanent differences | **3 034** | 7 609 |
| Different tax rate in some group companies | **(1 226)** | (338) |
| Dividend received | **(1 120)** | (560) |
| Tax losses carried forward not recognised | **(1 530)** | (1 055) |
| Tax expense | **61 015** | 58 101 |

**Deferred tax and deferred tax assets**

| **CONSOLIDATED** | Balance sheet | | Income statement | |
|---|---|---|---|---|
| *(Amounts in NOK 1 000)* | **2007** | 2006 | **2007** | 2006 |
| Current assets/liabilities | **(459)** | (708) | **(64)** | (239) |
| Fixed assets/long term liabilities | **159 410** | 165 969 | **(7 135)** | (1 574) |
| Losses carried forward | **(53 142)** | (103 995) | **50 419** | 42 859 |
| Net deferred tax liability / (asset) | **105 809** | 61 266 | **43 219** | 41 046 |
| | | | | |
| Recognised deferred tax asset | **(63 789)** | (78 778) | | |
| Recognised deferred tax liability | **169 599** | 140 045 | | |
| Net deferred tax liability / (asset) | **105 809** | 61 266 | | |

No deferred tax assets or liabilities are recorded directly to equity. Dividend payments to the share holders of Visma AS do neither effect the group's current nor deferred tax.

The tax losses carried forward relate in all material respect to acquisitions made. The losses are available indefinitely for offset against future taxable profits in the companies in which the losses arose and through realistic tax planning strategies within different tax regimes.

## NOTE 11 – SHARES IN SUBSIDIARIES

The consolidated financial statements include the financial statements of Visma AS and the subsidiaries listed in the following table:

| *(Amounts in NOK)* | Registered office | Holding% ** | Book value *** |
|---|---|---|---|
| **Visma AS** | | | |
| Visma Norge Holding AS * | Oslo | 100.00% | 277 495 755 |
| Visma Nederland Holding BV * | Amsterdam | 100.00% | 115 524 635 |
| Visma Sverige Holding AB * | Växjö | 100.00% | 6 080 187 |
| Visma Danmark Holding A/S * | Copenhagen | 100.00% | 5 356 550 |
| Visma Finland Holding OY * | Helsinki | 100.00% | 66 067 913 |
| Total | | | 470 525 039 |
| **Visma Norge Holding AS** | | | |
| Visma Software AS * | Oslo | 100.00% | 106 145 845 |
| Visma Software Norge AS | Oslo | 100.00% | 116 738 310 |
| Visma Unique AS | Oslo | 100.00% | 110 208 857 |
| Visma Avendo AS | Oslo | 100.00% | 4 554 324 |
| Visma Retail AS * | Barkåker | 90.10% | 246 788 313 |
| Visma IT AS | Oslo | 100.00% | 16 326 991 |
| Visma Collectors AS | Trondheim | 100.00% | 11 584 400 |
| Visma AjourIt AS | Oslo | 100.00% | 21 790 778 |
| Visma Advantage AS | Oslo | 100.00% | 40 667 342 |
| Visma Personell AS | Oslo | 100.00% | 14 314 587 |
| Visma Services Norge AS | Bergen | 100.00% | 135 709 104 |
| Total Regnskap AS | Mo | 100.00% | 5 000 000 |
| Merkantil-Tjenester AS | Måløy | 100.00% | 2 400 000 |
| Total | | | 832 228 851 |
| **Visma Sverige Holding AB** | | | |
| Visma Software Holding AB **** | Växjö | 100.00% | 1 008 939 555 |
| Visma Services AB * | Stockholm | 100.00% | 86 563 092 |
| Visma Collectors AB | Helsingborg | 100.00% | 237 086 195 |
| Visma Advantage AB | Stockholm | 100.00% | 17 274 009 |
| Visma Volym AB | Uppsala | 100.00% | 15 933 611 |
| Total | | | 1 365 796 462 |
| ****** Shares owned by Visma Software Holding AB:** | | | |
| Visma Software Equity AB | Växjö | 100.00% | 21 249 700 |
| Visma Proceedo AB | Stockholm | 100.00% | 35 832 890 |
| Visma Software AB * | Malmø | 100.00% | 44 895 800 |
| Visma SPCS AB * | Växjö | 100.00% | 287 607 040 |
| Visma Retail AB * | Norrtälje | 100.00% | 56 112 398 |
| Total | | | 445 697 828 |
| **Visma Danmark Holding A/S** | | | |
| Visma Software A/S * | Copenhagen | 100.00% | 62 060 000 |
| Visma Services Danmark A/S * | Copenhagen | 79.92% | 87 150 000 |
| Visma Collectors A/S | Copenhagen | 100.00% | 5 820 000 |
| Total | | | 155 030 000 |

** Parent company in subgroup.*
*** For all group companies, the holding is equal to the proportion of voting capital.*
**** Book value in the company accounts of the individual company in the group. In the company accounts shares in subsidiaries are recognised according to the cost method.*

(Note 11 continued)

| *(Amounts in NOK)* | Registered office | Holding% ** | Book value *** |
|---|---|---|---|
| **Visma Finland Holding OY** | | | |
| Visma Software OY | Espo | 100.00% | 44 948 967 |
| OY Visma Services Infocon AB | Espo | 100.00% | 13 923 556 |
| Total | | | 58 872 522 |
| | | | |
| **Visma Nederland BV** | | | |
| AccountView BVL | Amsterdam | 100.00% | 75 873 756 |
| Total | | | 75 873 756 |

** Parent company in subgroup.*
*** For all group companies, the holding is equal to the proportion of voting capital.*
**** Book value in the company accounts of the individual company in the group. In the company accounts shares in subsidiaries are recognised according to the cost method.*

## NOTE 12 – BANK DEPOSITS AND LOANS

### CONSOLIDATED

The consolidated accounts include cash, bank deposits, etc of NOK 435 977 000 (NOK 196 506 000 in 2006)

**Group account facilities**

In Norway and Sweden, Visma has separate group facilities with Nordea, in which most of the Norwegian and Swedish units participate. The group account facility has been established to promote optimal cash flow management. Visma entered December 2006 into an agreement with Fokus Bank. The implementation was carried through in January 2007. In the agreement with Fokus Bank, a cash-pool agreement is included were all affiliated entities accounts are zero-balanced. A tool for cash management and interest simplifies the financial control of the groups capital. The agreement gives an opportunity to enter limit appertaining to an entities account, which gives excellent detailed control on unit level.

| *(Amounts in NOK 1 000)* | | Interest* | Interest margin | Interest | Over 1 year | Under 1 year | Interest accrued |
|---|---|---|---|---|---|---|---|
| Loan A1 | NOK | 5.74% | 2.25% | 7.99% | 111 520 | 14 688 | 1 373 |
| Loan B1 | NOK | 5.48% | 2.75% | 8.23% | 142 000 | - | 3 798 |
| Loan C1 | NOK | 5.48% | 3.25% | 8.73% | 142 000 | - | 4 029 |
| Loan A2 | SEK | 4.55% | 2.25% | 6.80% | 71 056 | 9 359 | 744 |
| Loan A2 | NOK | - | - | - | 60 078 | 7 913 | 629 |
| Loan B2 | SEK | 4.27% | 2.75% | 7.02% | 202 583 | - | 4 624 |
| Loan B2 | NOK | - | - | - | 171 284 | - | 3 910 |
| Loan C2 | SEK | 4.27% | 3.25% | 7.52% | 202 583 | - | 4 954 |
| Loan C2 | NOK | - | - | - | 171 284 | - | 4 189 |
| Total | NOK | - | - | - | 798 166 | 22 601 | 17 927 |

To finance acquisition, loans were entered as follows:

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Acquisition financing Visma AS** | | | | | | | |
| AcqF NO | NOK | 5.48% | 2.25% | 7.73% | 224 500 | | 5 488 |
| AcqF NO | EUR | 4.77% | 2.25% | 7.02% | 14 198 | | 324 |
| AcqF NO | NOK | - | - | - | 113 032 | | 2 577 |
| | | | | | | | |
| **Acquisition financing Visma Nederland Holding BV** | | | | | | | |
| AcqF NL | EUR | 4.77% | 2.25% | 7.02% | 36 919 | | 842 |
| AcqF NL | EUR | 4.77% | 2.25% | 7.02% | 5 676 | | 129 |
| AcqF NL | NOK | - | - | - | 339 097 | | 7 730 |
| Total | NOK | - | - | - | 676 629 | | 15 795 |

**Interest; For loans in NOK LIBOR - SEK STIBOR - EUR EURIBOR*

The loans are a part of Senior Facility loan (SF A1-C1 NOK/SF A2-C2 SEK) that was entered by Engel holding AS due to acquisition of Visma AS.
Due to refinancing of the existing debt, all loans will be re-paid and replaced with new loan facilities in march 2008.

(Note 12 continued)

**Other long-term liability**

*(Amounts in NOK 1 000)*

| | |
|---|---|
| Loans SF + AcqF | 1 474 795 |
| Estimated earn-out appropriation | 86 315 |
| RBS + others | 8 576 |
| Total other long-term liability | 1 569 686 |

On December 12. 2007, an agreement with DAB Nor to refinance the existing debt in Visma AS and Engel Holding AS were signed. Together with Nordea, DAB Nor has committed to underwrite NOK 3 700 million. Refinancing will benefit Visma with adjusted pricing and increased operational flexibility. A Nordic bank group is considered to be a better match to Visma's operating conditions.

The new bank facilities will be in place in March 2008.

The unused portion of drawing facilities amounted to NOK 100 million.

## NOTE 13 – OTHER RESERVES

### CONSOLIDATED

**The following describes the nature of the equity component of other reserves:**

Net unrealised gains/loss on available-for-sale investments. This includes fair value changes of shares classified as available-for-sale

**Foreign currency translation:**

The foreign currency translation is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

## NOTE 14 – SHARE CAPITAL AND SHAREHOLDER ISSUES

At 31 December 2007, the company's share capital consists of 1 share with a nominal value of NOK 160 000 310. One share entitles the holder to one vote.

| Shareholders at 31 December 2007 | Holding (%) |
|---|---|
| Engel Holding AS | 100.00% |
| Total | 100.00% |

## NOTE 15 – SHARES OWNED BY THE BOARD AND EXECUTIVE EMPLOYEES

At the end of the financial year, members of the board and executive employees owned the following shares in the ultimate parent company, Visma Holdings Lux S.à.r.l.:

| | Holding |
|---|---|
| Board of directors | 0.43% |
| Visma Management Investment Lux SA | 2.08% |
| Other management | 2.77% |
| **Executive employees (through Swiss Life)**: | |
| Øystein Moan (CEO) | 0.44% |
| Tore Bjerkan (CFO) | 0.32% |
| Bjørn A.Ingier (CEO, SW-div.) | 0.30% |
| Total | 6.34% |

**Visma Holdings Lux S.à.r.l.:**

| Shareholder/Nominee | Ordinary Shares | CPECs* | Preference shares | Warrants | Total # shares | % |
|---|---|---|---|---|---|---|
| HgCapital | 467 | 2 761 872 | 27 879 | - | 2 790 218 | 57.15% |
| Citigroup | 188 | 1 111 485 | 11 220 | - | 1 122 893 | 23.00% |
| ICG | 114 | 673 627 | 6 800 | - | 680 541 | 13.94% |
| Swiss Life | 55 | 50 983 | 513 | - | 51 551 | 1.06% |
| Visma Management Investment Lux SA | 49 | 100 606 | 1 015.00 | - | 101 670 | 2.08% |
| Other management | 16 | 133 803 | 1 352.00 | - | 135 171 | 2.77% |
| Total | 889 | 4 832 376 | 48 779 | - | 4 882 044 | 100.00% |

** CPEC's - Convertible Preference Equity C-class*

## NOTE 16 – COMPENSATION OF KEY MANAGEMENT PERSONELL OF THE GROUP

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| **CEO salary and other remuneration** | | |
| Salaries and benefits in kind | **3 744** | 3 259 |
| Bonus | **2 697** | 2 270 |
| Options exercised | **-** | 2 709 |
| Other | **338** | - |
| Total remuneration | **6 778** | 8 238 |

The CEO's contract of employment provides for a termination payment equivalent to 18 months' salary. The CEO has a bonus agreement that is subject to achieved revenue and EBTIDA.

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| **Remuneration to the management (does not include CEO)** | | |
| Salaries and benefits in kind | **5 123** | 4 080 |
| Bonus | **2 163** | 1 534 |
| Options | **-** | 2 258 |
| Other | **806** | - |
| Total remuneration | **8 091** | 7 872 |

No loans have been granted to or security pledged for members of the management group.

**Loans to employees**

In some countries, employees are entitled to loans from the group. The interest on loans to employees is not lower than the market interest rate. The other borrowing terms and conditions are generally the same as normal market terms and conditions. Loans to employees comprised in 2007 to NOK 57 000 compared to NOK 164 000 in 2006.

**Remuneration to the board of directors**

The board will propose to the general meeting that the board's remuneration for 2007 is set at NOK 550 000 (NOK 200 000), allocated with NOK 450 000 to the chairman of the board and NOK 100 000 to the external board member.

| **Remuneration to the auditors** | **2007** | | | 2006 | | |
|---|---|---|---|---|---|---|
| *(Amounts in NOK 1 000)* | **Visma AS** | **Other group companies** | **Total** | Visma AS | Other group companies | Total |
| Audit services | **422** | **3 823** | **4 245** | 408 | 3 436 | 3 844 |
| Other attestation services | **387** | **194** | **581** | 827 | 29 | 856 |
| Tax services | **1 577** | **392** | **1 969** | 1 082 | 471 | 1 553 |
| Other services | **95** | **500** | **595** | 450 | 1 047 | 1 497 |
| Total | **2 481** | **4 909** | **7 390** | 2 768 | 4 982 | 7 750 |

All fees are exclusive of VAT

## NOTE 17 – SECURED DEBT AND GUARANTEE LIABILITIES

| *(Amounts in NOK 1 000)* | Actual guarantee debtor | Creditor | Total |
|---|---|---|---|
| **Debtor** | | | |
| Visma AS | Visma Software AS | Byporten ANS – lease of premises | 8 010 |
| Total guarantees | | | 8 010 |

Security is granted for loans as described in note 12 as follows:

**Shares**

Visma AS has pledged shares in the respective national holding companies. The national holding companies has pledged it's share holdings. With reference to note 11 which describe the group structure.

**Bank accounts**

The group's top level accounts in the cash pool system in Danske Bank, is granted as security.

**Account receivables**

Pledges on account receivables are established in most countries.

All securities granted will always be subject to local law.

## NOTE 18 – COMMITMENTS

### CONSOLIDATED

**Operating lease commitments – group as lessee**

The group has entered into commercial leases on certain motor vehicles and IT machinery.
These leases have an average duration of between one and five years with no renewal options included in the contracts.
There are no restrictions placed upon the lessee by entering theses leases.

Future minimum rentals payable under non-cancellable operating leases at 31 December are as follows:

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| Within one year | **28 182** | 25 965 |
| After one year but no more than five years | **84 546** | 77 896 |
| More than five years | **-** | - |

In addition the group has entered into commercial property leases related to the group's office buildings. These leases have remaining terms of between one and four years. In December 2006 a ten year lease contract for a new headquarters in Oslo was signed, starting second quarter 2009. Due to delays, Visma has decided to enter another agreement and to sublease the contract of December 2006. The new lease contract for the headquarters in Oslo was signed in December 2007, starting second quarter 2009 for a period of ten years, with an option of further five years.

Future minimum rentals payable under non-cancellable operating leases at 31 December are as follows:

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| Within one year | **112 729** | 103 862 |
| After one year but no more than four years | **563 786** | 370 585 |
| More than five years | **526 400** | 236 000 |

## NOTE 19 – INFORMATION ON CALCULATION OF EARNINGS PER SHARE

The calculation is based on the following information:

| CONSOLIDATED | 2007 | 2006 | 2005 |
|---|---|---|---|
| Majority's share of the group's profit/loss for the year (NOK 1 000) | **154 998** | 123 157 | 124 652 |
| Time-weighted average number of shares at 31 December | **1.00** | 1.00 | 1.00 |
| Earnings per share (NOK) | **154 998 004** | 123 157 412 | 124 652 042 |
| **Effect of dilution:** | | | |
| Share options | **-** | - | - |
| Time-weighted average number of shares at 31 December including options | **1.00** | 1.00 | 1.00 |
| Diluted earnings per share (NOK) | **154 998 004** | 123 157 412 | 124 616 517 |

Earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year plus the effect of all dilutive potential ordinary shares.

## NOTE 20 – FINANCIAL INSTRUMENTS

### Financial risk

The group uses financial instruments like bank loans. In addition the group has financial instruments such as account receivables, accounts payables etc. which are directly linked to the every day operation. The group does not use financial derivatives for hedging purposes. The group does not use financial instruments, including financial derivatives, for trading purposes. Guidelines for risk-management have been approved by the board. The most significant financial risks for the group are interest rate risk, liquidity risk and exchange rate risk. The board and management continuously evaluate these risks and determine policies related to how these risks are to be handled within the group.

### Credit risk

The group is exposed to credit risk primarily related to accounts receivable and other current assets. The group limits the exposure to credit risk through credits evaluation of its customers before credit is given.

The group has no significant credit risk linked to an individual customer or several customers that can be regarded as a group due to similarities in the credit risk. The group has guidelines for ensuring that sales are only made to customers that have not experienced any significant payment problems, and that outstanding amounts do not exceed certain credit limits. The group has not provided any guarantees for third parties liabilities. The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The group regards its maximum credit risk exposure to the the carrying amount of trade receivables (see Note 6) and other current assets (see Note 7).

### Interest-rate risk

The group is exposed to interest-rate risk through its funding activities (see Note 12). All of the interest bearing debt has floating interest rate conditions which makes the group influenced by changes in the market rate. The objective for the interest rate management is to minimise interest costs and at the same time keep the volatility of future interest payments within acceptable limits. The group has loans in SEK and EURO to adjust for the effctive interest rate exposure risk. The following table shows the group's sensitivity for fluctuations in interest rates. The calculation includes all interest bearing instruments and interest rate financial derivatives.

| | Adjustments in interest rate level in basis points | Effect on profit before tax (NOK 1000) |
|---|---|---|
| 2007 | +/- 100 | +/- 11 614 |
| 2006 | +/- 100 | +/- 7 658 |

Based on the present financial instruments, a one per cent increase in interest rate will result in a reduced net profit of NOK 11 614 000 (2006: NOK 7 658 000).

**The average interest rate on financial instruments was as follows:**

| | 2007 (%) | 2006 (%) |
|---|---|---|
| Overdraft facility | **7.46%** | - |
| Loans secured by collateral | **6.92%** | 5.90% |

(Note 20 continued)

**Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. Unutilised credit opportunities are discussed in note 12. Surplus liquidity is primarily invested in bank deposits and listed shares which are actively traded. (Refer also to note 21 for available-for-sale investments). Refer to note 12 for the loan repayment schedule.

**Exchange rate risk**

The group is exposed to changes in the value of NOK relative to other currencies (SEK, DKK and EURO), due to production and sales operations in foreign entities with different functional currencies. The net income of the group is also affected by changes in exchange rates, as the profit and loss from foreign operations are translated into NOK using the weighted average exchange rate for the period. The group has loans denominated in SEK and EURO to reduce the cash flow risk in foreign currency.
The following table sets the group's sensitivity for potential adjustments in NOK exchange rate, with all the other variables kept constant. The calculation is based on equal adjustments towards all relevant currency. The effect in the profit is a result of adjustments in monetary value.

| | Adjustment in exchange rate, NOK | Effect on profit before tax |
|---|---|---|
| 2007 | +/- 5% | +/- 9 919 |
| 2006 | +/- 5% | +/- 6 749 |

**Capital structure and equity**

The primary focus of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders value. The group manages its capital structure and makes adjustment to it, in ligth of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives policies or processes during the year 31 December 2007 and 31 December 2006. The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group's policy is to keep the debt ratio below 80 per cent. The group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents. Capital includes equity attributable to equity holders of the parent less the net unrealised gains reserve.

| | **2007** | 2006 |
|---|---|---|
| Interest-bearing debt | **1 597 396** | 962 272 |
| Less cash | **435 977** | 196 507 |
| Net debt | **1 161 419** | 765 765 |
| Majority's equity | **760 465** | 567 668 |
| Total equity and net debt | **1 921 884** | 1 333 433 |
| Debt ratio | **60%** | 57% |

**Determination of fair value**

The fair value of financial assets classified as "available for sale" is determined by reference to published price quotations in an active market. For unquoted financial assets the fair value has been estimated using a valuation technique based on assumptions that are not supported by observable market prices. The following of the group's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities and long-term debts. The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into on "normal" terms and conditions. The fair value of loan notes have been calculated using market interest rates. Set out below is a comparison by category of carrying amounts and fair values of all of the group's financial instruments.

| | **2007** | | 2006 | |
|---|---|---|---|---|
| | Book value | Fair value | Book value | Fair value |
| **Financial assets** | | | | |
| Cash | **435 977** | **435 977** | 196 507 | 196 507 |
| Trade receivables | **370 125** | **370 125** | 371 512 | 371 512 |
| Loan notes | **-** | **-** | - | - |
| Available-for-sale investments | **73 632** | **73 632** | 95 130 | 95 130 |
| Other non-current assets | **279 966** | **279 966** | 6 487 | 6 487 |
| **Financial liabilities** | | | | |
| Bank overdraft | **100 000** | **100 000** | 47 793 | 47 793 |
| Trade and other payables | **103 808** | **103 808** | 112 534 | 112 534 |
| **Interest-bearing loans and borrowings:** | | | | |
| Bank loans | **1 597 396** | **1 597 396** | 962 272 | 962 272 |

## NOTE 21 – AVALIABLE-FOR-SALE FINANCIAL ASSETS

| **CONSOLIDATED** *(Amounts in NOK 1 000)* | Registered office | Holding% | Fair value 01.01.2007 IFRS | Additions and reductions | Fair value adjustments | **2007** |
|---|---|---|---|---|---|---|
| **Shares listed** | | | | | | |
| SuperOffice ASA | Oslo | 9.53% | 76 000 | - | (8 800) | **67 200** |
| **Shares unlisted** | | | | | | |
| iTet AS* | Bodø | - | 9 031 | (9 000) | (31) | **-** |
| Shares held by Vestfold Butikkdata AS | | - | 9 288 | (3 392) | (1) | **5 896** |
| Others | | - | 810 | (275) | - | **535** |
| Total | | | 95 130 | (12 666) | (8 832) | **73 632** |

Available-for-sale financial assets consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate. The fair value of the unlisted shares has been estimated using a valuation technique based on assumptions that are not supported by observable market prices or rates. Management believes the estimated fair values resulting from the valuation technique which are recorded in the balance sheet are reasonable and the most appropriate at the balance sheet date.

** Sold in 2007*

## NOTE 22 – CURRENT LIABILITIES

| **CONSOLIDATED** *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| **Other current liabilities** | | |
| Deferred revenue | **243 135** | 225 796 |
| Loan under 1 year | **22 601** | 15 477 |
| Interest | **33 722** | 11 768 |
| Other short-term liabilities | **354 138** | 216 712 |
| Total other current liabilities | **653 596** | 469 753 |
| **Short term interest bearing debt** | | |
| Loan under 1 year | **22 601** | 15 477 |
| Bank overdraft | **100 000** | 47 793 |
| Total | **122 601** | 63 270 |

Ref. note 17 for security to guarantee short term debt

## NOTE 23 – IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations has been allocated to 12 cash generating units for impairment testing as follows:

**Software divisjon**
**Services divisjon**
**Financial & Productivity Services division**

| | |
|---|---|
| 1 | Software Norway |
| 2 | Software Sweden |
| 3 | Software Denmark |
| 4 | Software Finland |
| 5 | Software Netherlands |
| 6 | Services Norway |
| 7 | Services Sweden |
| 8 | Services Denmark |
| 9 | Services Finland |
| 10 | Financial & Productivity Services Norway |
| 11 | Financial & Productivity Services Sweden |
| 12 | Financial & Productivity Services Denmark |

(Note 23 continued)

**Software divisions cash-generating units**

The recoverable amount of the Software units has been determined based on a value in use calculation. To calculate this, cash flow projections are based on financial budgets approved by senior management covering a five-year period (2008-2012). The discount rate applied to cash flow is nine per cent (2006: nine per cent) and cash flows beyond the five-year period are extrapolated using a 0 per cent growth rate (2006: 0 per cent). Based upon the similarity of market conditions within the Nordic market, the same method for determining recoverable amounts has been applied across the different countries.

**Services division cash-generating units**

The recoverable amount of the Services units has been determined based on a value in use calculation. To calculate this, cash flow projections are based on financial budgets approved by senior management covering a five-year period (2008-2012). The discount rate applied to cash flow is nine per cent (2006: nine per cent) and cash flows beyond the five-year period are extrapolated using a 0 per cent growth rate (2006: 0 per cent). Based upon the similarity of market conditions within the Nordic market, the same method for determining recoverable amounts has been applied across the different countries.

**Financial & Productivity Services division**

The recoverable amount of the F&P Services units has been determined based on a value in use calculation. To calculate this, cash flow projections are based on financial budgets approved by senior management covering a five-year period (2008-2012). The discount rate applied to cash flow is nine per cent (2006: nine per cent) and cash flows beyond the five-year period are extrapolated using a 0 per cent growth rate (2006: 0 per cent). Based upon the similarity of market conditions within the Nordic market, the same method for determining recoverable amounts has been applied across the different countries.

**Carrying amount of goodwill**

| *(Amounts in NOK 1 000)* | **2007** | 2006 | 2005 |
|---|---|---|---|
| Software division | **1 124 435** | 1 011 981 | 602 955 |
| Services division | **390 484** | 387 705 | 372 365 |
| Financial & Productivity Services division | **162 568** | 161 659 | 102 443 |
| Total | **1 677 487** | 1 561 345 | 1 077 763 |
| Software Norge | **479 213** | 371 050 | 363 902 |
| Software Sverige | **95 576** | 103 003 | 54 748 |
| Software Danmark | **3 626** | 3 753 | 3 635 |
| Software Finland | **180 126** | 186 394 | 180 669 |
| Software Netherlands | **365 894** | 347 781 | - |
| Services Norge | **240 389** | 231 256 | 223 600 |
| Services Sverige | **75 574** | 79 322 | 74 038 |
| Services Danmark | **50 090** | 51 845 | 50 222 |
| Services Finland | **24 431** | 25 281 | 24 504 |
| Financial & Productivity Services Norge | **64 944** | 64 944 | 64 944 |
| Financial & Productivity Services Sverige | **96 237** | 95 324 | 36 151 |
| Financial & Productivity Services Danmark | **1 387** | 1 392 | 1 348 |
| Total | **1 677 487** | 1 561 345 | 1 077 763 |

The recoverable amounts for the different cash generating units are higher than the carrying amounts and no impairment loss is recognised in 2007.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins - the basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements.

Discount rates applied - the discount rates applied in valuation of recoverable amount is nine per cent in all units.

The value assigned to the key assumption is consistent with external information resources.

**Other factors/assumptions:**

The EBITDA margin in the Software division, Services division (except for Visma Services Sweden) and the Financial & Productivity division has been set equal to the EBITDA margin in 2007. The EBITDA margin in the Services Sweden division is gradually improved to eight per cent in 2008 from 5.83 per cent in 2007.

Estimated cash flows and growth rates used in determining the value in use exclude any estimated future cash inflows or outflows expected to arise from future restructuring or from improving or enhancing the asset's performance.

# PARENT COMPANY ACCOUNTS



# PROFIT AND LOSS STATEMENT
## 1 January – 31 December

**VISMA AS**

| *(Amounts in NOK 1 000)* | *Note* | **NGAAP 2007** | NGAAP 2006 | NGAAP 2005 |
|---|---|---|---|---|
| **Operating revenue** | | | | |
| Sales revenue | | **-** | - | - |
| Total operating revenue | | **-** | - | - |
| **Operating expenses** | | | | |
| Payroll and personnel expenses | *3,16* | **20 255** | 17 628 | 12 968 |
| Other operating expenses | *8,16* | **7 266** | 7 456 | 6 647 |
| Total operating expenses | | **27 521** | 25 084 | 19 615 |
| Profit/loss from operating activities | | **(27 521)** | (25 084) | (19 615) |
| **Financial items** | | | | |
| Financial income | *9* | **282 350** | 136 497 | 80 491 |
| Financial expenses | *9* | **(136 429)** | (59 342) | (10 410) |
| Net financial items | | **145 921** | 77 156 | 70 081 |
| Ordinary profit before tax | | **118 400** | 52 071 | 50 466 |
| Tax on ordinary profit | *10* | **29 912** | 12 496 | 10 596 |
| Profit for the year | | **88 488** | 39 576 | 39 870 |
| Profit after minority interests | | **88 488** | 39 576 | 39 870 |
| **Transfers and allocations** | | | | |
| Allocated to dividend | | **450 000** | - | 96 000 |
| Transferred to / (from) other equity | | **(361 512)** | 39 576 | (56 131) |
| Total transfers and allocations | *12* | **88 488** | 39 576 | 39 870 |
| Group contribution paid (net after tax) | | **84 724** | 74 686 | 55 996 |

# BALANCE SHEET
## 31 December

**VISMA AS**

| *(Amounts in NOK 1 000)* | *Note* | **NGAAP 2007** | NGAAP 2006 | NGAAP 2005 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Fixed assets** | | | | |
| **Intangible assets** | | | | |
| Deferred tax assets | *10* | **169** | 227 | - |
| Total intangible assets | | **169** | 227 | - |
| | | | | |
| **Tangible fixed assets** | | | | |
| Property | *5* | **8 874** | 5 390 | 5 390 |
| Machinery and equipment | | **101** | - | - |
| Total tangible fixed assets | | **8 974** | 5 390 | 5 390 |
| | | | | |
| **Financial assets** | | | | |
| Shares in subsidiaries | *11* | **470 525** | 839 989 | 649 678 |
| Long-term receivables in group companies | | **1 443 458** | - | - |
| Other long-term receivables | | **(340)** | 141 | 726 |
| Total financial fixed assets | | **1 913 643** | 840 130 | 650 405 |
| Total fixed assets | | **1 922 787** | 845 747 | 655 795 |
| | | | | |
| **Current assets** | | | | |
| Inter-company receivables | | **223 594** | 83 935 | 323 864 |
| Other current receivables | *7* | **746** | 484 | 2 350 |
| Total receivables | | **224 340** | 84 419 | 326 215 |
| Shares classified as available for sale | *21* | **70 850** | 70 850 | 15 791 |
| Cash and cash equivalents | *12* | **101 233** | 297 495 | 450 361 |
| | | | | |
| Total current assets | | **396 423** | 452 763 | 792 366 |
| **TOTAL ASSETS** | | **2 319 210** | 1 298 510 | 1 448 161 |

**VISMA AS**

| (Amounts in NOK 1 000) | Note | NGAAP 2007 | NGAAP 2006 | NGAAP 2005 |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| **Paid-in capital** | | | | |
| Share capital | | **160 000** | 160 000 | 160 000 |
| Share premium reserve | | **272** | 272 | 38 272 |
| Total paid-in capital | 12 | **160 272** | 160 272 | 198 272 |
| | | | | |
| **Retained earnings** | | | | |
| Retained earnings | | **415 217** | 87 638 | 851 150 |
| Total equity | 12 | **575 489** | 247 910 | 1 049 422 |
| | | | | |
| **Non-current liabilities** | | | | |
| Deferred tax liability | 11 | **-** | - | 44 499 |
| Other long-term liabilities | 12 | **1 135 698** | 969 635 | 250 000 |
| Total non-current liabilities | 12 | **1 135 698** | 969 635 | 294 499 |
| | | | | |
| **Current liabilities** | | | | |
| Short-term bank loans | | **100 000** | 47 793 | - |
| Trade creditors | | **-** | 887 | - |
| Public duties payable | | **398** | 480 | 4 731 |
| Allocated to dividends | | **450 000** | - | 96 000 |
| Other current liabilities | | **57 624** | 31 806 | 3 509 |
| Total current liabilities | | **608 022** | 80 965 | 104 240 |
| Total liabilities | | **1 743 721** | 1 050 600 | 398 739 |
| | | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **2 319 210** | 1 298 510 | 1 448 161 |
| | | | | |
| Secured liabilities and guarantees | 17 | | | |

Oslo, 26 February 2008

Jan O. Frøshaug
*Chairman of the board*

Gunnar Bjørkavåg
*Director*

Lisa Stone
*Director*

Nic Humphries
*Director*

Øystein Moan
*CEO*

# CASH FLOW STATEMENT

## 1 January – 31 December

**VISMA AS**

| *(Amounts in NOK 1 000)* | **NGAAP 2007** | NGAAP 2006 | NGAAP 2005 |
|---|---|---|---|
| Ordinary profit / loss before tax | **118 400** | 52 071 | 50 466 |
| | | | |
| Taxes paid | **-** | (28 200) | - |
| Cash flow from operations | **118 400** | 23 871 | 50 466 |
| | | | |
| Changes in inventory, accounts receivable and trade creditors | **887** | (887) | 9 |
| Change in other accruals | **(567 572)** | 256 685 | (159 662) |
| Net cash flow from operations | **(448 285)** | 279 670 | (109 187) |
| | | | |
| Investment in tangible fixed assets | **(3 584)** | - | - |
| Sale of (investment in) shares | **369 464** | (170 584) | (103 797) |
| Net cash flow from investments | **365 880** | (170 584) | (103 797) |
| | | | |
| Change in long-term liabilities | **(166 064)** | (164 864) | 62 820 |
| Change in bank overdraft | **52 207** | - | - |
| Net cash flow from share issues | **-** | - | 42 053 |
| Payment of dividend | **-** | (96 000) | (85 920) |
| Purchase of treasury shares | **-** | (1 087) | 24 894 |
| Net cash flow from financing activities | **(113 857)** | (261 952) | 43 847 |
| | | | |
| Net cash flow for the year | **(196 262)** | (152 866) | (169 137) |
| | | | |
| Cash and cash equivalents at 1 January | **297 495** | 450 361 | 619 498 |
| Cash and | | | |
| Cash equivalents at 31 December | **101 233** | 297 495 | 450 361 |

# NOTES TO THE ACCOUNTS

## Accounting principles

The annual accounts for Visma AS are prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

## Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognised in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

## Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors. Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognised at nominal value. Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognised at nominal value.

## Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

## Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

## Short term investments

Short term investments (stocks and shares are valued as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognised as other investment income.

## Property, plant and equipment

Property, plant and equipment is capitalised and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

## Pensions

The company has pension schemes where the company's commitment is to contribute to the individual employee's pension schemes (contribution plans).

## Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 28 per cent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilised.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

## Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

## Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable are expensed as occurred.

## NOTE 3 – PAYROLL AND PERSONNEL EXPENSES

**VISMA AS**

| (Amounts in NOK 1 000) | **2007** | 2006 | 2005 |
|---|---|---|---|
| Salaries | **17 016** | 14 791 | 9 181 |
| Employer's national insurance contributions | **2 711** | 2 150 | 2 884 |
| Pension expenses | **130** | 75 | 85 |
| Other personnel expenses | **398** | 613 | 818 |
| Total | **20 255** | 17 628 | 12 968 |
| | | | |
| Average number of employees. | **7** | 3 | 4 |

## NOTE 8 – OTHER OPERATING EXPENSES

**VISMA AS**

| *(Amounts in NOK 1 000)* | **2007** | 2006 | 2005 |
|---|---|---|---|
| Rent | **642** | 530 | 896 |
| Other office expenses | **1 114** | 469 | 293 |
| Telephone, postage | **123** | 117 | 82 |
| Travel expenses | **524** | 481 | 389 |
| Vehicles and transport | **552** | 562 | 586 |
| Leasing expenses | **118** | 91 | 136 |
| Sales and marketing | **1 084** | 990 | 883 |
| Audit, lawyers' fees and other consulting services | **3 110** | 4 216 | 3 382 |
| Total other operating expenses | **7 266** | 7 456 | 6 647 |

## NOTE 9 – FINANCIAL INCOME AND EXPENSES

**VISMA AS**

| *(Amounts in NOK 1 000)* | **2007** | 2006 | 2005 |
|---|---|---|---|
| **Financial income includes the following items:** | | | |
| Dividend/transfer from investments | **169 616** | 119 571 | 62 285 |
| Gain on sale of shares | **-** | 45 | - |
| Other interest income | **112 032** | 13 802 | 18 025 |
| Foreign exchange gains | **702** | 2 580 | 129 |
| Other financial revenues | **1** | 500 | 52 |
| Total financial income | **282 350** | 136 497 | 80 491 |
| | | | |
| **Financial expenses include:** | | | |
| Interest expense | **80 555** | 20 570 | 9 714 |
| Foreign exchange losses | **55 332** | 29 769 | 66 |
| Other financial expenses | **542** | 9 004 | 630 |
| Total financial expenses | **136 429** | 59 342 | 10 410 |

## NOTE 10 – TAX ON ORDINARY PROFIT

Deferred tax liabilities and assets are calculated on the basis of the temporary differences between book values and tax-related values in the balance sheet. All calculations are based on a nominal tax rate in respective tax-area.

**VISMA AS**

| *(Amounts in NOK 1 000)* | **2007** | 2006 |
|---|---|---|
| Tax payable | **-** | - |
| Changes in deferred taxes | **58** | (18 743) |
| Adjustments in respect of current income tax of previous years | **(294)** | - |
| Effect of group contribution | **30 148** | 31 239 |
| Income tax expense | **29 912** | 12 496 |
| **Summary of temporary differences making up the basis for the deferred asset/deferred tax liability** | | |
| Current assets/liabilities | **(604)** | (810) |
| Fixed assets/long term liabilities | **-** | - |
| Net temporary differences | **(604)** | (810) |
| Net deferred tax liability / (asset) | **(169)** | (227) |
| **Visma AS's tax payable for the year has been computed as follows:** | | |
| Ordinary profit before tax | **118 400** | 52 071 |
| Permanent differences | **(3 974)** | 556 |
| Change in temporary differences | **(206)** | 66 944 |
| Dividend received from Norwegian subsidiaries | **(6 548)** | (8 000) |
| Net group contribution received / (paid) | **(107 671)** | (111 571) |
| Taxable profit | **-** | - |
| **Explanation of why the tax expense for the year does not make up 28% of the pre-tax profit** | | |
| Ordinary profit before tax | **118 400** | 52 071 |
| 28% tax on ordinary profit before tax | **33 152** | 14 580 |
| Adjustments in respect of current income tax of previous years | **(294)** | - |
| Permanent differences | **(1 113)** | 156 |
| Dividend and group contributions received from Norwegian companies | **(1 833)** | (2 240) |
| Tax expense | **29 912** | 12 496 |

## NOTE 12 – MOVEMENT IN EQUITY

**VISMA AS**

| *(Amounts in NOK 1 000)* | Paid-in capital Share capital | Share premium reserve | Retained earnings | Total equity |
|---|---|---|---|---|
| Equity at 1 January 2007 | 160 000 | 272 | 87 638 | 247 910 |
| Profit (loss) for the period | - | - | 88 488 | 88 488 |
| Gain on sale of shares intra group | - | - | 82 639 | 82 639 |
| Merger with Visma Equity AS | - | - | 606 452 | 606 452 |
| Dividends | - | - | (450 000) | (450 000) |
| Equity at 31 December 2007 | 160 000 | 272 | 415 217 | 575 489 |

For further information regarding notes, see notes 3, 5, 7, 11, 12, 16, 17 and 21 to the consolidated accounts.

ERNST & YOUNG

■ Statsautoriserte revisorer

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Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of
Visma AS

## Auditor's report for 2007

We have audited the annual financial statements of Visma AS as of 31 December 2007, showing a profit of NOK 88.488.000 for the Parent Company and a profit of NOK 157.931.000 for the Group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The financial statements comprise the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The financial statements of the Group comprise the balance sheet, the statements of income and cash flows, the statement of equity and the accompanying notes. The regulations of the Norwegian Accounting Act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements of the Parent Company. IFRSs as adopted by the EU have been applied in the preparation of the financial statements of the Group. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Chief Executive Officer. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including the auditing standards adopted by the Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the Parent Company are prepared in accordance with laws and regulations and present fairly, in all material respects the financial position of the Company as of 31 December 2007, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the financial statements of the Group are prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2007, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with IFRSs as adopted by the EU
- the Company's management has fulfilled its duty to properly record and document the Company's accounting information as required by law and bookkeeping practice generally accepted in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with law and regulations.

Oslo, 26. februar 2008
ERNST & YOUNG AS
Vegard Stevning
State Authorised Public Accountant (Norway)
(sign)
Note: The translation to English has been prepared for information purposes only.

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■ Arendal, Bergen, Bø, Drammen, Fosnavåg, Fredrikstad, Holmestrand, Horten, Hønefoss, Kongsberg, Kragerø, Kristiansand, Larvik, Levanger, Lillehammer, Moss, Måløy, Notodden, Oslo, Otta, Porsgrunn/Skien, Sandefjord, Sortland, Stavanger, Steinkjer, Tromsø, Trondheim, Tønsberg, Vikersund, Ålesund

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